



Israelis evacuate Beirut liaison office

Post-Mideast Affairs Reporter and agencies

Israel has vacated its liaison office at Dbaiye north of Beirut, with the last 32 Israeli staff members leaving by helicopter Tuesday night and yesterday morning.

The decision to close the office followed last week's decision by the Lebanese government to withdraw the Lebanese Army units guarding the building.

Foreign Ministry spokesman Yossi Amihud noted in an official announcement yesterday that "the Jemayel-Karamneh government decision regarding the continuation of its contacts with Israel - as reflected in the order to evacuate the Lebanese Army troops from the representation building - prevents the continued operation of the Israeli representation in Beirut in its existing format."

The announcement described

both the withdrawal of the Lebanese troops and the abrogation of the May 17 agreement earlier this year as examples of Lebanon's failure "to make independent decisions in accordance with its own national interests," and its subservience to "Syrian dictate."

The announcement concluded: "Israel will continue to maintain contacts with its numerous friends in Lebanon, from among all communities, and will continue to strive for good neighbourly relations with Lebanon, in the hope that Lebanon will be free to act as a sovereign and independent country."

In Beirut, Lebanese officials were quoted as describing the closure as a logical consequence of abrogation of the unrattified May 1983 agreement with Israel.

According to agency reports, the

(Continued on back page)

Beirut to be united city under new security plan

BEIRUT (AP). - Lebanon's national unity cabinet announced yesterday it has endorsed a new security plan that would totally abolish the "green line" slicing Beirut into Christian and Muslim halves.

Prime Minister Rashid Karamneh said Christian units from the 5th Brigade, which is deployed in the Christian half, and Muslim units from the all-Muslim 6th Brigade in West Beirut would be integrated into a single brigade that would be deployed to keep the five-kilometre demarcation line open, making Beirut a united city after almost 10 years of civil war.

He told reporters after the cabinet session that a security plan designed to reassert government authority in the Druse-held Central Mountains east of Beirut would be endorsed by the half-Christian, half-Muslim cabinet at its next session, scheduled for next Wednesday.

Karamneh said the plan for "greater Beirut" would reopen the last two crossings still closed between the two sectors of the capital and ensure the return of refugees to their homes in neighbourhoods close to the demarcation line.

The cabinet session was attended

(Continued on Page 3)

South Lebanon Army extends its deployment

The South Lebanon Army recently extended its deployment in the Sidon area. The SLA took over a position on the River Awali, which was held until yesterday by Israel Defence Forces troops, and it also took over several IDF positions at Nabatieh.

Military sources in South Lebanon said that the SLA was growing daily in strength and effectiveness. This is the main reason for the recent decline in successful terrorist opera-

tions in the area, they said. Yesterday light arms fire was directed at an IDF position near Kafr Kook on the eastern front. The fire came from Syrian-controlled territory. The fire was returned, there were no casualties.

Israeli troops yesterday afternoon discovered and blew up a car full of explosives parked in front of a garage in the village of Raiban in South Lebanon. There were no casualties and no damage. (Itm)

U.S. planning to resuscitate Reagan's 1982 peace plan

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. - A senior State Department official yesterday told Congress that the U.S. plans to try to reactivate President Ronald Reagan's September 1982 peace initiative as soon as possible.

Assistant Secretary of State Richard Murphy, testifying before

the House Foreign Affairs Subcommittee on Europe and the Middle East, said that Israel first will have to establish its new government.

He expressed hope that "upon larger reflection" both Israel and Jordan will drop their opposition to the Reagan plan and come to the negotiating table "We will work to

(Continued on Page 2, Col. 7)

Smog may have killed Olympic eagle

LOS ANGELES (Reuter). - Olympic stress was blamed yesterday for the untimely death of an old bald eagle suffering from weight problems and smog-induced lung disease in training for the Los Angeles Games.

The U.S. Fish and Wildlife Service carried out an autopsy on Bomber, a rare eagle that was to have symbolized the U.S. at the opening ceremony.

Bomber, 22, had been trained to fly over the Los Angeles Coliseum on Saturday. But he was found dead in his cage last week. Officials said

the bird, one of only 5,000 remaining as a protected species in the U.S., succumbed to an unknown ailment.

But the Wildlife Service, a branch of the Interior Department, said in its report that Bomber died of stress that brought on vascular collapse and "tremendous" weight loss with lung complications.

In the best traditions of Hollywood, the show must go on.

Olympic officials said an understudy eagle named Fluff had been brought in to fill Bomber's role and had already made very promising practice flights.



Leaders of the newly-elected Shas - Sephardi Tora Observers Party - meet yesterday in Jerusalem with Prime Minister Yitzhak Shamir (Rahamin Israeli)

1.3% devaluation was lower than expected

By PINHAS LANDAU
Jerusalem Post Reporter

TEL AVIV. - The shekel fell by "only" 1.3 per cent against the dollar yesterday, a much lower drop than had been expected. This was the first change in the rate since last Friday, and a devaluation of at least 2 per cent would have been considered normal for this length of time.

The rate of devaluation since the beginning of July has been about 14 per cent, and thus the monthly rate is well in line with the expected rise in the consumer price index of 13-14 per cent. The problem of exchange-rate lag, insofar as it exists, is primarily caused by the ongoing rise of the dollar against other major currencies on world markets. The American unit reached 12-year highs

against the German mark on Tuesday, although yesterday saw some profit-taking.

Given the high percentage of Israeli exports that go to European countries, and are paid for in European currencies, a lag in the rate of devaluation of the shekel against these currencies, vis-a-vis the rate of local inflation, could quickly make these exports unprofitable. However, the government covers this lag by paying exchange-rate insurance to the exporters to make up the difference.

According to Bank of Israel officials, the real rate of devaluation, after taking account of inflation, has been about 5 per cent since last June. This level has been maintained over

(Continued on Page 2, Col. 5)

Travel agencies swamped in effort to beat tax

By MICHAEL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. - Confusion reigned in travel agencies yesterday following the government's imposition of a 15 per cent tax on land arrangements and services purchased in Israel by Israelis going abroad.

The agencies were flooded by telephone calls from thousands of clients who wanted to advance their flights and leave the country before Friday, to evade the new tax.

Kadmos Travel Agency yesterday appealed to the High Court of Justice for an injunction against the Finance Ministry, concerning the new tax. Kadmos managers Yehudit Matok and Ehud Barkai said the agency was unable to collect the tax from tens of thousands of clients who have already paid package tours abroad.

The 15 per cent tax will be charged, as of tomorrow, on dollars purchased by Israelis travelling abroad, as well as on rented cars, land arrangements and package tours paid for in Israel before leaving the country.

Since Israelis will not be permitted to leave the country without present-

ing a stamped receipt showing they have paid the tax, travellers are advised to make their payments at their local banks before going to the airport. There is only one bank branch at Ben-Gurion Airport, and it is likely to be very busy with last-minute payments, customs officials noted.

Travel agents said yesterday that it would be impossible for them to ask thousands of their clients who have already left the country or who prepaid their trips to pay an additional 15 per cent. They noted that they could not afford to pay the tax themselves, instead of the passengers, since their profits reach only an average of 10 per cent per passenger.

No flight cancellations were registered by travel agents as of yesterday, but some passengers are expected to cancel their bookings for trips when they are asked to pay the new tax on their dollars and land arrangements starting tomorrow.

Only very few passengers due to leave the country in the next few days managed to advance their flights yesterday and today, because most of the seats on departing flights were booked, it was learned.

Former premier rejects Kahane Begin for unity government led by 'my friend' Shamir

Jerusalem Post Reporter

Former prime minister Menachem Begin is in favour of a national unity government. He expressed this view in three separate telephone interviews yesterday.

Begin told Kol Yisrael's political reporter Shimon Schiffer that he had always supported the idea and that in the present situation he felt it was the best way. The former prime minister cut Schiffer short when he tried to ask specific questions, telling him to ask "Mr. Shamir and Mr. Peres," who were now handling these matters. "I understand that Mr. Peres is also not being interviewed," he joked.

The former prime minister, who has been in seclusion since his resignation last September, also talked on the phone to the Associated Press and the Agence France Presse. He told AP that the prime minister of the national unity government "should be my good friend Mr. Shamir," but he did not categorically rule out a government headed by Labour leader Shimon Peres.

Begin noted the appeal of four authors, supporters of the Labour Party, who proposed a national unity government, saying "they have their own idea about its composition, but the idea has been presented."

Asked if he thought Labour would go along with the idea, he replied: "I hope so. I don't know what is in their hearts, but the idea is now on the agenda."

Begin was adamant that Rabbi

Meir Kahane should not be included in any coalition. "My friends and I have nothing in common with that man," he said.

Speaking to AFP, Begin was even more critical of Kahane. "I totally reject everything he says," the former prime minister told the French news agency. He also cautioned that the Likud and Labour leaders should wait for the final results of the polls before forming a government, "so that the situation is clearer."

By ROBERT ROSENBERG
Jerusalem Post Reporter

No official complaints have yet been received by the Jerusalem police about a "victory march" by Meir Kahane and his supporters that left an automobile and several shops damaged in the Old City of Jerusalem on Tuesday.

Meanwhile, the police are reviewing Kahane's past convictions on such charges as incitement, vandalism and public disturbance, to find out whether the newly elected Knesset member is still on probation from any of those convictions. If he is, then he may have violated his probation. Kahane has been arrested some 20 times during the 13 years he has been in Israel.

The police are also trying to determine whether parliamentary immunity already applies to Kahane, since he has not yet taken his seat in

Likud looks to soldiers' vote for coalition edge

By DAVID LANDAU
Post Diplomatic Correspondent

The political parties, in the throes of coalition talks, are anxiously awaiting the results of the soldiers' vote, which will be announced today. Likud is hoping that these results will increase its own total and that of its ally, Tehiya, by one seat each. This would enable them, on paper at least, to put together a coalition without Ezer Weizman's Yahad.

Similarly, the Likud hopes that the soldiers' vote will rob Labour and its allies of the possibility - on paper - of creating a "blocking bloc" against a Likud-led government.

If no such change results from the soldiers' vote, however, Labour's prospects of setting up a narrow-based coalition or leading a unity government will increase.

According to the present arithmetic, before the soldiers' vote, Likud cannot form a government without Weizman while Labour has received encouraging signs from Weizman that he would incline towards a Labour-led government.

For this reason, the Likud is putting massive pressure on Weizman, reportedly offering him a top portfolio and "rehabilitation" if he joins a Likud-led coalition. Weizman was thrown out of Herut after he resigned from the government in 1980.

Yesterday Weizman met with Deputy Premier David Levy. Later Levy told well-wishers in his home town, Beit She'an, that "no party has concluded any deal with Labour, and none of them rules out a unity government under Shamir."

Levy said "the great announcement" would come in a few days. "The Likud is the body that can draw around itself a majority in the Knesset required to form a government, and therefore the Likud will be the party to head a national unity government."

Levy said that he was proud to have been the one who, as campaign manager, had led Likud to this great achievement.

In Jerusalem, meanwhile, Prime Minister Shamir met yesterday with six potential coalition partners - the National Religious Party, Shas, Agudat Yisrael, Ometz, Morasha and Tehiya. But in the case of the first four, at any rate, the conversations were plainly preliminary and the small parties studiously avoided committing themselves.

NRP leader Yosef Burg noted that "everyone wants a unity government." But "how it is to be constructed" would have to await the final election results, he said.

Shas' Rabbi Yitzhak Peretz said his party "has a sympathy for Likud, but in negotiations everything is open."

On the Labour side, there is apparently some optimism regarding Shas. Labour's Yitzhak Navon is conducting personal contacts with Shas' spiritual leader, former Sephardi chief rabbi Ovadia Yosef. According to some reports, Shas envisages Yosef as the minister for religious affairs in the new government.

Labour sources point out that their party can offer Shas exclusivity in religious matters in a Labour-led coalition. Likud, on the other hand, would need all the religious parties inside a coalition under its leadership - and hence would have fewer specific blandishments to offer each of them.

Alternatively, the exclusivity logic could also work in Labour's contacts with its "historic ally," the NRP.

Asked about the Shas connection on television last night, Navon said he preferred to maintain "a certain discretion." He expected the general picture to clarify "by the end of the week."

Navon's overall assessment was that "the possibility is there" for Labour to set up a government "but nothing is sewn up. We can't be sure."

Labour chairman Shimon Peres was also carefully optimistic. "There are prospects," he said. "No one is in anyone's pocket."

Mapam won't oppose Labour try at unity gov't

By ROY ISACOWITZ
Jerusalem Post Reporter

TEL AVIV. - Mapam will not oppose Labour Party attempts to form an Alignment-led national unity coalition, although it will not participate in the negotiations. Mapam secretary-general Victor Shemtov told The Jerusalem Post last night.

Shemtov said that, in Mapam's view, such attempts have no chance of success and the Alignment should concentrate on forming a strong coalition government. He said that there were no differences in Mapam over the question of a national unity government.

Labour sources said the party had

decided on the national unity line as a tactic to gain the support of Ezer Weizman's Yahad Party and the National Religious Party. If the unity attempt falls through - as Labour insiders expect it to due to Likud opposition - the Alignment will be in a good position to pick up the support of Yahad and the NRP for a coalition government.

But Shemtov said that not all the Labour leaders consider the national unity idea as tactical. Former prime minister Yitzhak Rabin had said that, if the Likud accepted Labour's conditions, a national unity government was preferable to other alternatives.

The Labour sources added that

Weizman and NRP leader Yosef Burg have apparently promised to support an Alignment-led coalition that doesn't include the Likud, if the national unity attempt fails.

In this regard they interpreted Weizman's statement yesterday that he supports a national unity government "under the leadership of the largest faction" as a subtle warning to Mapam. If Mapam decides to leave the Alignment over the national unity issue, the Alignment will no longer be the largest faction and will not be the rightful head of the government, according to Weizman's formula.

Mapam's stand emerged in two

(Continued on back page)

Yahad dismisses Tehiya's 'olive branch'

By MARK SEGAL
Post Political Correspondent

TEL AVIV. - Yahad Party sources yesterday dismissed the announcement by Tehiya that it would no longer refuse to sit at the same cabinet table with Ezer Weizman. The sources said Yahad is waiting to hear if Tehiya will change its annexationist policies.

Likud Deputy Premier David Levy called on Weizman yesterday morning for what was described as "a friendly discussion." It was reported that Levy urged Weizman to "come home, where you will receive

the honours due to you."

Weizman sought to persuade the Likud to accept his efforts to form a national unity government, led by the largest faction.

Weizman also met with Shinui leader Amnon Rubinstein, who proposed that Yahad form a joint block together with Shinui and the Citizens Rights Movement for negotiating purposes. Weizman said he would raise the matter with his party's secretariat.

Later in the afternoon Weizman held talks on his coalition idea with Tami leader Aharon Abuhatzzeira

and Yigal Hurvitz, the Ometz leader.

Weizman and his Yahad Party are waiting anxiously for today's expected publication of the final election results, including soldiers' votes.

Likud and Tehiya sources speculated yesterday that the soldiers' vote would give each of them another seat. This could reduce Yahad's projected Knesset seats from three to two, thereby undercutting Weizman's present bargaining position.

Likud aims to block rival coalition

By ASHER WALLFISH
Jerusalem Post Reporter

The Likud's first objective in the preliminary feelers with potential coalition allies conducted yesterday was to consolidate a group large enough to block the Alignment's prospects of forming a rival coalition.

As of now, without the soldiers' votes, the Alignment has the best chance of forming a blocking group, which could play a "spoiler" role.

However, the Likud and Tehiya are both pinning their hopes on getting a boost from the soldiers' votes, which will be counted today. Each expects to get one more seat, making 42 for the Likud and five for Tehiya.

With this preliminary total of 47, plus the hoped-for 12 seats from the four religious parties, the Likud believes it can finally block the Align-

ment. Meir Kahane, the head of Kach would vote against any Alignment-led coalition.

Since negotiations with the four religious parties are still tentative and only the two-man Morasha faction is in the bag, the Likud made advances yesterday directly to Ezer Weizman, the leader-founder of the new Yahad Party, as well as to Yigal Hurvitz of Ometz, which got only one seat, and may yet lose it by tonight, when the soldiers' vote completes the picture.

The Likud's argument with Weizman is that by teaming up with Labour, he will maneuver himself into a dead end, since Labour will use him as long as it needs him and then cast him aside.

One Likud minister told The Jerusalem Post: "If Weizman joins a Labour cabinet, he has to think of the future. What will he tell the

electorate when the next elections come round? What achievements will he have to show? Will he be running on his pre-1984 image or on his post-1984 achievements?"

The Likud line is to offer Weizman a cosy place in the Likud and to welcome him back as a prodigal son. He will be offered a portfolio, but he will not be given any cast-iron assurances about his leadership prospects in the long term, since the contenders for the top jobs are too numerous and too jealous of each other. Once he is safely back home, he will have to make his own way on his merits. Weizman is being told.

Likud leaders admit privately that those who genuinely want a national unity government are fewer than those who advocate it publicly, while those who believe it to be a realistic prospect are even fewer.

(Continued on Page 2, Col. 1)

shhh...
CLASSIFIED INFORMATION

It's no secret... there are only a few hours left to place your classified advertisement for tomorrow's Halaah Hahadash. Just take your ad to any advertising agency, or to an office of Ma'ariv or Ha'aretz (or call 03-439380) and it will run in Hebrew in those papers. Hand it in early enough to make sure it reaches the office of Halaah Hahadash before 4 p.m. and your ad will also appear in English in The Jerusalem Post. Beat that deadline!

Police checking Kahane's record after 'victory march'

By ROBERT ROSENBERG
Jerusalem Post Reporter

No official complaints have yet been received by the Jerusalem police about a "victory march" by Meir Kahane and his supporters that left an automobile and several shops damaged in the Old City of Jerusalem on Tuesday.

Meanwhile, the police are reviewing Kahane's past convictions on such charges as incitement, vandalism and public disturbance, to find out whether the newly elected Knesset member is still on probation from any of those convictions. If he is, then he may have violated his probation. Kahane has been arrested some 20 times during the 13 years he has been in Israel.

The police are also trying to determine whether parliamentary immunity already applies to Kahane, since he has not yet taken his seat in

Kahane's legal standing. Furthermore, said a police source, "We haven't yet got any complaints about the incident."

Kahane's election has forced some high-level consultations inside the force, and it is expected that clarification of Kahane's legal standing will be sought from Attorney-General Yitzhak Zamir.

Meanwhile, in the wake of reports yesterday about the Tuesday afternoon and evening "victory march" Southern District Police Commander Avraham Turgeman appointed an inquiry to determine the course of events. According to that inquiry, there were only about 30 persons marching with Kahane, as opposed to the estimated 200 reported by eyewitnesses. According to those eyewitnesses, including several journalists, the Kahane procession passed the Old City police station and

officers saw what was happening but did not intervene.

"There may be some developments regarding that," said one Jerusalem police source.

Meanwhile, Jerusalem Mayor Teddy Kollek yesterday strongly condemned Kahane's latest actions and utterances, calling his election to the Knesset a "stain on Israeli democracy."

Speaking to a meeting of Israeli representatives of American Jewish organizations, Kollek said that Kahane's parliamentary immunity will serve to reinforce his opinions and activities. "Kahane is liable to become the symbol of Israel and Judaism in the eyes of the world," Kollek said, adding that the Kach leader represents an "asset to haters of Israel and the Jewish people."

The weather at major Swissair destinations

25.7.84

City	Temp	Wind	Cloud
Amsterdam	13	20	70
Birmingham	14	20	70
Buenos Aires	14	20	70
Cairo	21	20	70
Copenhagen	13	20	70
Frankfurt	13	20	70
Geneva	13	20	70
London	13	20	70
Madrid	13	20	70
Moscow	13	20	70
New York	13	20	70
Paris	13	20	70
Rio de Janeiro	13	20	70
Sao Paulo	13	20	70
Stockholm	13	20	70
Tokyo	13	20	70
Zurich	13	20	70

For the latest weather conditions contact Swissair.

Swissair

THE WEATHER

City	Temp	Wind	Cloud
Jerusalem	17	10-15	30
Golan	17	10-15	30
Nabatieh	17	10-15	30
Safed	17	10-15	30
Haifa Port	17	10-15	30
Tiberias	17	10-15	30
Nazareth	17	10-15	30
Afula	17	10-15	30
Sharon	17	10-15	30
Tel Aviv	17	10-15	30
B-G Airport	17	10-15	30
Jericho	17	10-15	30
Gaza	17	10-15	30
Beersheba	17	10-15	30
Eilat	17	10-15	30

SOCIAL & PERSONAL

Liberian Ambassador Samuel Kerson visited Bar-Ilan University yesterday and discussed with university president Rabbi Emanuel Rackman plans for exchange of students and faculty between Bar-Ilan and Liberia's two universities.

Mrs. Lea Seidenberg will speak on the treatment of children of broken families at the weekly meeting of the Rotary club at the Tel Aviv Hilton at 1.15 p.m. today.

ARRIVALS

Ben Backus, executive director of the World's League for Israel, for a week's working visit, from New York.

Architect Arye Sharon dies in Paris at age 84

TEL AVIV (Itim). - The man who headed the planning department of Israel's Housing Ministry during the first years of the state, Arye Sharon, died yesterday in Paris at age 84. He will be buried in the Nohel Yitzhak cemetery on Sunday.

Sharon and his wife went to Paris two weeks ago for a holiday, but he took ill and was hospitalized there. Sharon designed some of the best-known buildings of the pre-state and early state period, including the Bellinson, Ichilov, Soroka and Assaf Harofeh hospitals. He also designed the Ohel Theatre, the Beit Brenner workers' hostel in Tel Aviv, and the Kinneret rest home in Tiberias. He came to this country in 1926 and was one of the founders of Kibbutz Gan Shmuel.

LIKUD AIMS

(Continued from Page One)

One Likud minister said: "We hear so much pious talk about the need for national unity that we have no choice but to say 'yes' if we want some peace and quiet. But do you think any of us really want it?"

Two Likud ministers, unknown to each other, both explained in utter frankness why the Likud could never afford to serve in a national unity government under Labour leader Shimon Peres. They told *The Post*: "We discovered in the election campaign that the one trump card that enabled us to cancel out all or blunders over the past years in office was the widespread hatred we discovered among ordinary Israelis for Peres."

"You cannot imagine how he is really detested. If we agreed to serve under Peres, we would be losing a lot of votes in the next election. We would be saving off the branch we sat on, which save us once from plunging to disaster."

The Shinali council last night decided in a special meeting that the party would not oppose the formation of a "national emergency government" headed by the Alignment in order to stop the formation of a Likud-led coalition.

Representatives of Morasha and Shas will meet today to discuss coalition moves.

Korean pickpocket, 78, gets prison term

SEOUL (AP). - South Korea's Supreme Court yesterday upheld a lower court's two-year prison term for a 78-year-old man on charges of stealing 1,000 won (\$1.25).

The nation's highest court said the lower court verdict was considered appropriate despite the defendant's age because he had committed similar offences habitually and might repeat his crimes.

Chung Chae-Kon, the defendant, had been convicted 12 times, serving a total of 18 years and two months before he was last released in November 1982.

HOME AND WORLD NEWS

Study on East Jerusalem newspapers shows:

Censor bans up to 30% of the material submitted

Fifteen to 30 per cent of the material submitted to the IDF censor by East Jerusalem newspapers is banned from publication. This emerges from a study of the relationship between the Palestinian press and the censor by Dava Arab affairs reporter Danny Rubenstein, which appeared in the 1984 yearbook of the National Federation of Israeli Journalists.

The study compared the amount of material edited and set up to be printed with the amount that actually appeared in the papers. The East Jerusalem newspapers are aware that large portions of the material they send to the censor are liable to be excised, so they prepare, as a matter of course, about 25 per cent more printed material than they have space for. This is to prevent being caught short of material, since it is forbidden to leave blank white spaces indicating that material has been blue-pencilled, the article says.

A random sample of the excised material reveal that it contained no military or other state secrets, but rather dealt with politics and Palestinian nationalism, Palestinian heritage, sentiments hostile to Israel, or the legitimacy of the Israeli rule.

Also excised were items regarding resistance to the Israeli authorities in

the territories, and Israeli actions that threaten Palestinian nationalist aspirations, such as the establishment of new Jewish settlements in the administered areas.

The Palestinians, therefore, perceive the East Jerusalem newspapers as weapons in their struggle against Israel. The censor, for his part, reacts with a counter-offensive, it says.

Neither the East Jerusalem newspapers nor the censor perceives their differences as concerning the principle of freedom of the press, but rather as an all-out war of survival between Israel and the Palestinians, the article says.

East Jerusalem journalists select the news items, write headlines and choose photographs and cartoons on the basis of their effectiveness in the national struggle. Even obituaries and advertisements are informed by this purpose, it says.

The censor uses the same criteria in his battle against such expressions. For example, when the censor sees an item about a Palestinian solidarity conference in Paris, it will be blue-pencilled because to the authorities this represents part of the PLO struggle, indicating support for the Palestine National Convention and for the armed struggle against Israel.

State aid to yeshiva students not discriminatory, says court

The High Court of Justice yesterday ruled in favour of government financial aid for yeshiva students, by rejecting a petition by two Arab Knesset members who argued that such aid discriminates against Moslem citizens.

The court also held that the petition by Alignment Knesset Members Mohammed Wattad and Hamad Halaili against the finance minister had been well founded. It noted that the state had since ceased providing such aid on the basis of grants to soldiers, and directed the state to pay the petitioners' legal costs of \$50,000.

Wattad and Halaili filed their petition over a year ago and won an interim injunction against the finance minister. They had argued against state support payments for yeshiva students and their families, which were then allotted on the basis of similar grants to soldiers and their families, even though the yeshiva students were exempt from military service.

Justices Miriam Ben-Porath, Eliezer Goldberger and Ya'acov Tirkel accepted the main argument of the state attorney that support

payments to yeshiva students are not discriminatory, since such institutions are unique to the Jewish people.

In upholding this argument, Tirkel noted that in the regulations set by the ministerial committee governing aid to religious institutions (set after the petition was filed), "there is not an iota of discrimination" between yeshiva students and students of the institutions of other religions.

"Is there a need to insist upon the singular and special place of the study of Torah among the Jewish people?" Tirkel asked. Ben-Porath agreed, saying, "It is no wonder that the yeshiva students have been granted consideration by the authorities expressed in economic support."

Ben-Porath stated that such government recognition of the special status of those who dedicate their lives to sacred study is not discriminatory. However, she added, "if a similar phenomenon should manifest itself among the adherents of another religion, their religious institutions should receive identical support." (Itim)

Three Solidarity figures freed in general amnesty

WARSAW (AP). - Three prominent Solidarity activists are among the 81 political prisoners released so far under a general amnesty, an Interior Ministry official announced yesterday.

The director of the ministry's investigative office, Colonel Zbigniew Pudysz, identified the three as Andrzej Slowik, Jerzy Korpiniwicz and Antoni Pietkiewicz.

Pudysz, interviewed during a mid-day radio newscast, said the three were released Tuesday, the second day of a general amnesty that will cover 652 political prisoners and nearly 35,000 people jailed for non-political offences.

All prisoners covered by the amnesty are not expected to be freed until mid- to late August, government officials said.

Official government newspapers reported yesterday that the amnesty had "reached" 1,815 people as of Tuesday evening and that 869 of them had been freed. Among those released were 134 women and 126 youths under the age of 18, the papers said.

The most prominent Solidarity figure released to date has been Andrzej Gwiazda, a one-time challenger to Solidarity leader Lech Walesa, who was set free under the amnesty on Tuesday following a three-day prison leave to see his ailing mother.

There was no official word on when six other prominent Solidarity figures or four leaders of the former workers' rights group known as Kor would be released. All are held at Warsaw's Rakowiecka prison.

Signs of revolt by miners to end UK's 20-week strike

LONDON. - Ninety-nine striking British coal miners were arrested in skirmishes with policemen yesterday amid reports that rebel miners have launched a campaign to end the 20-week dispute.

The police said 74 pickets were arrested outside Babbington colliery near Nottingham in central England, and 25 were taken into custody at Bilston colliery near Edinburgh.

A police spokesman said fights broke out between striking miners and police at Babbington after some 2,000 pickets descended on the colliery shortly before noon. He said the police turned away 2,000 other pickets in 500 vehicles heading toward the mine.

Violence erupted at Bilston colliery when about 100 policemen advanced on 150 pickets who took control of wooden barriers being used as a police checkpoint at the Scottish mine.

Press Association, the British domestic news agency, reported that some of the pickets at Babbington said they were in the area to counter a back-to-work campaign spearheaded by Nottinghamshire miners.

Miners in Nottinghamshire, Britain's second biggest colliery, spoke of secret meetings with miners in all areas except northeast England, Scotland and Kent.

Nottinghamshire is working in defiance of the strike.

The miners said one colleague, known only as "Silver Birch" because of threats of rape and arson against his family, was planning a campaign for a co-ordinated nationwide return to work on a set date to stretch picketing resources.

Local union officials urged the rebels to argue the case in the open instead of using "a traitorous back-door method." (AP, Reuter)

Iraq will conscript students who fail

BAGHDAD (Reuter). - Iraq's ruling Revolutionary Command Council has decided to conscript all students who fail final year examinations at colleges and institutes, the government daily newspaper *al-Jumhuriya* said yesterday.

The students, who could be sent to the Gulf war front, will be allowed to sit their examinations again in the two academic years following their military service.

The decision also covers post-graduate students who fail to complete courses successfully within a given period.

Normal military service for high school and college graduates is two years, and three years for students who fail to get high-school certificates.

STREET CHILDREN. - The number of "street children" in Brazil - youths who make their living primarily on the street - has risen by 90 per cent in three years to more than 30 million, according to a study released yesterday by Brazilian juvenile authorities.

As many as 25 per cent of those children have been abandoned by their parents, the study says.

Ben-Gurion Airport to tighten security

Boy, 15, flies to Rumania without ticket or passport

By MICHAEL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. - Security regulations at Ben-Gurion Airport will be tightened following yesterday's disclosure of the undetected departure of a passenger to Rumania some two months ago.

The stowaway, a 15-year-old youth from the north of the country, also evaded Rumanian passport-control authorities and stayed with his grandmother in Bucharest for a month before being sent back to Israel.

The youth arrived at Ben-Gurion Airport at the end of May and without a ticket, passport or boarding card walked past passport control and security guards, boarded a Taron (the Rumanian airline) plane and sat in a vacant seat.

The air crew, which is supposed to count every passenger and check with passport control, failed

to detect him.

On the plane, the stowaway aroused the suspicion of a security guard who asked for his boarding card. Without hesitation the boy pointed at a group of elderly tourists behind him and said that his grandmother had his card. During the flight, he ate and drank with the other passengers and enjoyed himself, it was learned.

In Bucharest, the youth managed to sneak past passport control sticking close to the group of tourists, because the travel agent accompanying the tourists presented the group's passports in one bunch, and the authorities did not check each passenger individually.

The boy stayed for a month with his grandmother, whom he "nagged to death and caused a lot of trouble," as he later told the Israeli police. The woman could finally take no more and

reported him to Rumanian police, who sent the boy back to Israel on the next Taron flight.

The affair was kept a secret until now in an attempt to prevent embarrassment to those responsible for security at Ben-Gurion.

On his return to Israel, the youth was detained and questioned by the airport police, for whom he reconstructed his departure from the airport. He was released because he was a minor, and the police refused to divulge any additional details that might lead to his identification.

But police sources said that since the boy is over 12, a criminal file was opened against him and he will probably be charged with illegal departure from the country.

The boy had flown to Rumania with his parents and stayed with his grandmother in Bucharest last August, it was learned.



Tehiya-Tzomet Number 2 man former chief of staff Rafel Eitan (top) leaves the Prime Minister's Office in Jerusalem, and former finance minister Yigael Hurvitz speaks to reporters after he leaves his meeting with the prime minister. (Rahamin Israeli, Isaac Harari)



4 Israelis arrested by Egypt at Coral Island

EILAT (Itim). - Four Israeli excursioners were arrested by Egyptian authorities yesterday when they apparently tried to land their boat at Coral Island south of here without a permit.

The Eilat police identified the four as Steve Elstein, 48, Nir Yegor, 35, Ronit Yaron, 39, and Yisraeli Prost, 34. Their boat was seized and they were taken by the Egyptians to Nucliba for questioning.

Petrol bomb in Hebron

A petrol-bomb was thrown last night at an Israel Defence Forces patrol near the Avraham Avinu synagogue in Hebron. The bomb exploded but no one was hurt and no damage was caused. Security forces searched the area. The incident happened at about 9 p.m. (Itim)

Four charged with trying to murder soldier

RAMALLAH (Itim). - Four young men from the village of Hizma east of Neveh Yaacov were charged yesterday in the military court here with attempting to murder an Israeli soldier and with membership in a terrorist organization.

According to the charge sheet, the four defendants ambushed Gita Weil, of Kibbutz Yad Mordechai, as he and his brother were hiking in Wadi Radia near Jerusalem in May 1984. The four grabbed Weil's weapon and tried to shoot him, but due to a malfunction, the rifle did not fire.

Weil and his brother managed to wrest the rifle from the terrorists and fired a shot in the air. The brothers were rescued and the four men arrested, the court was told.

Kirkpatrick favours limited Mideast talks

UNITED NATIONS (Reuter). - Jeane Kirkpatrick, chief U.S. delegate to the UN, says Middle East peace talks limited to the countries directly involved would have the best chance of success.

She told a news conference Tuesday that a regional approach was preferable to a global one.

Arafat on Israeli election results:

'It is just the snake changing its skin'

BEIRUT. - Lebanese Prime Minister Rashid Karamah said yesterday Israel's elections do not concern Lebanon and that the inconclusive results prove that Israeli society is sharply divided.

"The difficulties Israel might have in forming a new government do not concern us. Our concern is that Israel withdraws from Lebanon as quickly as possible," he told reporters following a cabinet session.

Karamah's indifference was echoed yesterday by PLO chief Yasser Arafat, who said in Kuala Lumpur that the outcome of the election would make no difference to his movement's fight for a Palestinian homeland.

"For me the election makes no difference. It is just the snake changing its skin," he told a news conference at the end of a three-day visit to Malaysia.

In Amman, yesterday, a senior PLO official was quoted as saying Israel would resort to war as a result of the inconclusive outcome of its elections.

Hani al-Hassan, political adviser to Arafat, told the daily *Al-Rai* newspaper that "one should now expect a return to the principles of war" and said the Arabs should be ready "for wide-ranging (Israeli) military adventure."

Also in Amman yesterday, Jordanian Foreign Minister Taher al-Masri said extremist Israeli factions, would from now on influence Israeli policies following the inconclusive general elections.

Information Minister Leila Sharaaf was quoted by the same newspaper as saying the results prove that Israel "has started to pay the price for its aggressive policy by the fragments-

tion of its political society."

In Cairo, Egyptian officials urge Israelis to form a new government quickly and press ahead with negotiations for a Middle East settlement, but government-controlled newspapers said the inclusive outcome of Israel's elections would make whoever comes to power unable to take any significant step toward peace.

China, a major supporter of the Arab nations, said yesterday that the Israeli elections do not herald any change in what it calls Israel's expansionist military policies.

A commentary in the Communist Party newspaper, *People's Daily*, said the election results show the Israeli voters have no faith that any of their political parties can solve the Jewish state's economic crisis and negotiate a peaceful resolution of the Arab-Israeli conflict.

Israel wary of U.S. plan for Iraqi pipeline to Akaba

By WOLF BLITZER

WASHINGTON. - The U.S. and Israel have scheduled discussions next week in Washington on the proposed Iraqi oil pipeline through Jordan to the port of Akaba.

The Reagan administration has been a prime mover in promoting the pipeline for both economic and diplomatic reasons. A U.S. contractor, the Bechtel construction firm of San Francisco, is to build the pipeline. The Americans also believe that its construction will help to improve ties with Iraq.

But Israel has complained of the possible ecological damage to the nearby port of Eilat should the pipeline produce an oil spill.

In preliminary contacts, the State Department has agreed to work with Israel to achieve some practical arrangements in the area between

Eilat and Akaba to prevent any damage if such a spill were to occur.

Haim Kibensky, director-general of the Interior Ministry, and Eli Rubenstein, legal adviser at the Foreign Ministry, will represent Israel at the discussions. They will review these matters with an inter-agency team of U.S. diplomats and environmental experts. The sessions are to take place at the State Department.

Iraq, in its nearly four-year war against Iran, has been anxious to see the pipeline completed to export its oil through a more secure route than the Persian Gulf.

The Iraqis have been seeking assurances from Washington that Israel will not destroy the pipeline. In a recent statement in Baghdad, Iraq's Saddam Hussein said he had not yet received adequate assurances from Washington.

DEVALUATION

(Continued from Page One)

The last few months, with temporary aberrations quickly corrected, say the bank's spokesmen.

The focus of attention is now likely to move away from foreign currency, after the announcement of the latest stopgap measures to stem the outflow of reserves. It is now clear that there will be no major devaluation, unless it is part of an overall package of economic measures. This is in line with the thinking of most analysts, which says that a devaluation without accompanying steps to cut the government budget is ineffective, and will only serve to aggravate inflation.

It is the budget deficit rather than the balance of payments deficit that is likely to be the line for "treatment," even if this is only of the temporary holding nature of the travel-allocation levy and other moves announced on Tuesday.

The most obvious place to begin, and the easiest, would be to cut the level of subsidies on basic commodities, by raising their prices by several dozen per cent. This is widely expected, after the government allowed the degree of subsidization to grow significantly in the course of the election campaign, by not raising prices as much as was warranted by the monthly inflation rate.

It is becoming apparent, though,

that Finance Minister Yigael Cohen-Orad is having great difficulties in carrying his fellow ministers with him in his determination to take immediate and drastic steps to halt the slide in the worsening economic situation.

According to reports on Kol Yisrael, Cohen-Orad sought approval on Tuesday for a proposal to stop all new government spending obligations, to go into effect immediately. This approval was not forthcoming, as the other Likud ministers were not prepared to accept such sweeping changes in economic policy at this time. It is clear that if such a step were taken without some kind of agreement with the Histadrut concerning wages and other factors in the economy, the country would move quickly toward recession, as happened - briefly - in late 1983, when this was done.

Cohen-Orad made clear to his colleagues that if the political impasse was not resolved in the very near future, he would strongly urge that drastic measures be taken, according to the report. This tough attitude found public expression in the press conference held on Tuesday night, when he said that far-reaching measures could not be delayed until the coalition-building process had run its course - which could be a matter of weeks, or even months.

American interests in Amman emphasized

WASHINGTON (Reuter). - The U.S. has an interest in selling weapons to Jordan whether or not King Hussein cooperates with Washington-backed Middle East peace efforts, America's ambassador-designate to Amman said yesterday.

"The United States has very important interests in Jordan that go beyond the peace process," Paul Boeker told a Senate Foreign Relations Committee confirmation hearing.

His testimony and his professional background drew a stony reaction from Republican Rudy Boschwitz, chairman of the Middle East subcommittee, who conducted the hearing and later refused to say if he would support Boeker's nomination.

The U.S. has tried to persuade Hussein to become an active participant in the peace process set in motion by the 1978 Camp David accords.

LANDSCAPE. - Haifa landscape architect Zvi Miller has been elected to a second two-year term as President of the International Federation of Landscape Architects. He will be installed at the IFLA congress in Hungary in September.

LICENCES. - Drivers who don't pay their parking fines will face delays in having their driving licences renewed, under a new system.

PEACE PLAN

(Continued from Page One)

ensure that no opportunity is lost," he said in a prepared statement.

Murphy refused to characterize the U.S. reaction to the Israeli election outcome this week, other than to affirm the close ties between the U.S. and Israel.

In the face of this uncertainty (in Israel), it would be inappropriate to make any predictions about what party will lead the next government or what that government's policies will be," he said.

"Whatever the outcome of the election, we do expect and intend to continue our close cooperative relationship with the next Israeli government," he added.

Murphy, who reviewed the current situation in the Middle East, insisted that Jordan remains ready to enter the peace process with Israel. "Jordan has maintained its continuing interest in seeking a political solution to the conflict with Israel," he said.

He also insisted that Syria would have to become involved in any revived negotiations.

Murphy said that Syria has recently been helpful in easing the situation in Lebanon. "In Lebanon," he said, "we see welcome signs."

"We believe that Syria has been one of the helpful players in these recent developments. We also believe that Lebanon needs peaceful, cooperative relations with both Syria and Israel. No lasting solution is possible which fails to take into account the interest of both of these important neighbours."

"We will continue to encourage Lebanon to deal directly with Israel on the issue of Israeli withdrawal, from south Lebanon and security arrangements along their border," he said.

Murphy, however, expressed regret that Lebanon had decided to shut down the Israeli liaison bureau in Beirut. He noted that Syria had been strongly opposed to the Israeli presence in the Beirut area and had pressured hard to see it removed.

Murphy stressed that a continuing stalemate in the peace process merely increased the ability of the Soviet Union to gain influence in the region. "The vacuum in the peace process is an open ticket for the Soviets," he said.

He insisted that the Soviets have played a "destructive role" in the peace process.

Regarding the ongoing Israeli-U.S. strategic cooperation talks, Murphy denied that there is any consideration being given to the signing of a formal defence pact between the two countries.

Policeman injured by driver of stolen car

TEL AVIV (Itim). - A policeman was slightly injured yesterday when a driver of a stolen car tried to run him over. The incident occurred at the central bus station, where the policeman saw a car driving into a no-entry lane and blocked it with his motor-scooter.

Sri Lanka affirms civil role of Israeli

Special to the Post
COLOMBO (Lankaweb). - Veteran Israeli diplomat David Matnai, a specialist in Asian affairs, was appointed to head the Israeli Interest Section office in Sri Lanka to improve relations between Israel and Sri Lanka and not to involve himself with the internal problems of the island.

It was stated recently by National Security Minister Laila Athulathmudali, who also categorically denied that the Mossad has sent more than 150 personnel to Sri Lanka, as alleged by the PLO representative in Colombo.

The minister said in parliament that Sri Lanka had not severed diplomatic relations with Israel but had merely suspended relations 14 years ago, when Sri Lanka was ruled by the pro-Socialist government of Mrs. Sirima Bandaranaike, who heads the Freedom Party. In 1976

Bandaranaike was elected chairman of the Non-aligned Movement, when the fifth summit of the movement was held in Colombo.

Matnai's job in Colombo is also to coordinate cooperation with Israel in the development of agriculture, irrigation and social development. The Israeli Interest Section office will also help Sri Lanka obtain consultancy services to update the island's intelligence services, particularly in the face of growing terrorism in the island.

Athulathmudali categorically denied that Israeli personnel will be engaged to combat Tamil separatist terrorists in the island. "The fighting will be done by our forces and nobody else, because it is our policy not to allow any foreign servicemen to operate on Lankan territory," the minister said.

The minister's statement followed

accusations published last month by the *Sunday Times* of London that Matnai is a Mossad agent who came to Sri Lanka to help train security forces fighting Tamil guerrillas. Following the *Sunday Times* article, which gave Matnai's Colombo hotel address, the hotel was bombed and a local woman was killed.

In a statement rejecting the *Sunday Times* accusation and published by the paper on July 1, the Israel embassy in London noted that Matnai is a veteran diplomat and Asian specialist, and that his function is to improve Israel-Sri Lankan relations particularly in the fields of agriculture, irrigation and social development.

"Israel has maintained friendly relations with the Tamils of Sri Lanka for many years," the embassy statement said. "The government of Israel does not interfere in any way in that country's affairs."

How did Joseph store grain 7 years?

By YITZHAK OKED
Jerusalem Post Reporter

TEL AVIV. - Israeli scientists have been trying without too much success to figure out how Joseph, the son of Jacob, managed to store grain for seven years in a hot country like Egypt.

Scientists of the Agricultural Research Organization at the Volcani Centre in Rishon LeZion are trying to duplicate Joseph's feat of storing the grain from the seven "fat years" to feed the people of Egypt during the seven "lean years" that followed.

The reason for experimenting

with provisional silos is nearly the same as in the Biblical story of Joseph (Genesis 41): When there is a bumper grain crop, there are not enough silos to store the entire harvest.

According to the research team, Joseph did something nearly impossible, managing to store grain from his bumper crops for nearly seven years without having it ruined by the micro-organisms, pests and rodents that attack such storage places, especially in a hot country like Egypt.

The scientists believe that Joseph most likely used a system similar to

one used by Beduin today, when they dig deep holes in the ground and then fill them with grain.

The scientists discovered that rodents attack such holes. It is also difficult to fill the holes and empty them.

The scientists came up with a compromise: a huge silo that can be assembled and dismantled in a short time made of a metal mesh net covered by heavy PVC plastic sheets.

The experimental silo holds 550 tons of grain and is ventilated by cool air at night and hot air during the day. The scientists plan to store the wheat for about three years.

Unofficial election results

The following are the unofficial election results as of last night. The vote count and percentage figures are given at the nearest round figure.

List	Number of Votes	Per Cent of Vote	Knesset Seats
Alignment	694,000	35.40	45
Likud	625,000	31.90	41
Tehiya	72,000	3.65	4
N.R.P.	71,500	3.65	4
D.F.P.E.	69,500	3.55	4
Shas	61,500	3.15	4
Shinui	50,000	2.55	3
C.R.M.	46,000	2.35	3
Yahad	44,000	2.25	3
Progressive			
List for Peace	36,500	1.85	2
Agudat Yisrael	31,000	1.75	2
Morasha	31,000	1.60	2
Tami	30,500	1.55	1
Kach	22,500	1.15	1
Omert	21,000	1.05	1
Lova Eliav	13,500	.70	0
Disabled	11,500	.60	0
Renewal	6,000	.30	0
Youth/Immigrants	5,000	.25	0
Shiluv	5,000	.25	0
Tenants Protection	3,500	.20	0
Atzma'ut	3,000	.15	0
Anti-Income Tax	1,000	.05	0
Motherland	1,000	.05	0
Development			
and Peace	1,000	.05	0
Amcha	500	.00	0
TOTAL	1,960,000	100.00	120

'Too much suspense' in TV vote count

Jerusalem Post Reporter

Natan Brun, Likud representative on the board of directors of the Israel Broadcasting Authority, yesterday questioned whether making projections on the outcome of the Knesset elections should be the prerogative of Israel Television.

Speaking at the weekly meeting of the board, Brun lauded the professionalism in the planning and production of TV election coverage, but

objected to the nation's being kept in suspense for what he deemed an unnecessarily long time.

IBA deputy chairman David Admon was unhappy about the two-hour gap between the end of the television exit poll and the closure of polling stations. He felt that ballots cast during that period could make an appreciable difference between final results and predictions made on the basis of exit-poll statistics.

Pupils to be allowed to use calculators

Elementary-school pupils will be allowed to use pocket calculators during some arithmetic and geometry lessons under a new study programme approved by the Education Ministry, the ministry spokesman said yesterday.

Using the programme, each school will decide in which lessons to allow free use of calculators, when to allow calculators only to check

answers derived through conventional figuring and when to ban their use altogether. It will also be up to the school to decide whether to allow the use of calculators during examinations.

Until now, calculators have been prohibited out of concern that their use would interfere with the teaching of conventional arithmetical figuring.

Haifa ordered to pay \$110m. for price rises

HAIFA (Itim). - The municipality was ordered yesterday by the Haifa District Court to pay \$110m. to a construction company to make up for price increases that occurred while the company was building the A.D. Gordon teachers' seminary for the city from 1980-83.

City Hall was ordered to pay the

A. Levy construction firm \$110m., made up of \$92m. in compensation for price rises, plus linkage and interest, court costs and the plaintiff's legal fees. The court attached city funds in the municipal coffers and in banks to ensure payment of the judgment.

New absorption centre for Ethiopian children

Jerusalem Post Reporter

HAIFA. - The Israeli flag was raised at the former Hofim youth village north of Acre yesterday to mark its reopening as an absorption centre for Ethiopian olim children.

The first group of 60 youngsters, all without parents, arrived yesterday. The centre, off the Acre-Nahariya highway, was closed last month for renovations pending the arrival of the children.

Rabbi Nahum Cohen, director of the absorption centre, said facilities are being expanded so that eventually there will be space for 200 children.

Cost of the work is being borne by Youth Aliya and the Canadian Hadassah-Wizo movement.

2 accused of vote fraud

TEL AVIV. - Two Jaffa residents were yesterday brought before the Tel Aviv magistrates court suspected of mis-use of an identity card during Monday's general election. They were released on \$10,000 bail.

The police representative told the court that Rubelisa Mossa, 27, tried to vote using the identity card of Ali Salameh, 29, at the polling booth in Jaffa's Sderot Habad.

U.S. Jews in mixed reaction to vote results

By WALTER RUBY

Jerusalem Post Correspondent
NEW YORK. - The election results from Israel were greeted with jubilation here by supporters of Likud and the religious parties and consternation and despondency by backers of Labour.

But Kenneth Bialkin, chairman of the Conference of Presidents of Major American Jewish Organizations remarked: "The results seem to me to say that the people are satisfied with the status quo. There is no resounding rejection of the Likud leadership, and certainly no resounding vote of confidence in Labour."

Leaders of Reform and Conservative Judaism expressed the belief that their long-time campaign in favour of equality for all branches of Judaism is likely to be frustrated anew in a likely new Likud-dominated government.

Dov Aharoni-Fisch, executive-director of Herut-USA, commented: "Our people were happy to the point of euphoria about the results. We believe that these results will lead to a restoration of almost the exact coalition government that has ruled for the last three years. The results also mean that, even if a

national coalition government with Labour is formed, the next government of Israel will not surrender one inch of Judea and Samaria."

Ricki Waldman, executive-director of the Labour Zionist Alliance, remarked: "Obviously, we are unhappy about the results, but we are still hopeful Labour will be able to form a government. We hope these results do not indicate a massive shift to right, which we would find very ominous."

Albert Vorspan, vice-president of the Union of American Hebrew Congregations (Reform) stated: "I do not see good things coming out of this election. The divisive issue of religion in Israeli life will be magnified, and efforts to obtain religious equality for all Jews in Israel have been set back." He added: "We are also very worried that the results denote a fragmentation and paralysis of the Israeli political system."

Wolf Kelman, executive vice-president of the Rabbinical Assembly (Conservative) also expressed concern that "this will be a very fragile government." Asked about the religious-equality issue, he commented: "I don't see any way that the next government is going to

Koor calls for industrial development in Arab sector

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA. - Industrial development in the Arab community was called for yesterday by Dr. Raymond Jobran, chief scientist of the Histadrut-owned Koor companies' Arab-industry development division.

He told the Haifa Rotary Club that during the next three years 18,000 young Arabs will complete their education and will look for work. But they will be unable to find work in Arab-owned enterprises, he declared.

Jobran told the Rotarians that 13,000 of the graduates will complete their high-school education, 2,000 - vocational schools and 3,000 - universities. These will include 450 engineers, 33 per cent of them architects and civil engineers, 32 per cent mechanical, electrical, and computer engineers, and 28 per cent food and chemical engineers.

This important potential of manpower must not be wasted, he said. A study carried out by Koor with

the help of the Technion has shown there are 410 Arab-owned industrial units in Israel, the majority of them small factories employing under 20 workers. All together they employ 5,000 workers, 71 per cent of them women in low-paying textile jobs. Only a few factories have room for educated workers.

Jobran said Israeli Arabs do not tend to invest in the industrial development of their own villages but put most of their money into private building and the acquisition of consumer goods and real estate. The government is not making substantial investments in the Arab villages, he added.

Koor is trying to fill the breach and is looking for Arab entrepreneurs to put up joint enterprises to employ Arab workers with Arab management. Already one factory for tefehna production has been established and plans are ready for four supermarkets to cost \$3.3 million, with Koor putting up half the capital and Arab investors the other half.

Cuts at BGU's Social Work School

By LIOA MORIEL
Jerusalem Post Reporter

BEERSHEBA. - The Ben-Gurion University of the Negev's School of Social Work will not accept new students this year, Professor Haim Eilat, the new rector announced.

This is the result of severe cuts in the university's budget for the coming academic year.

The two-year-old school will not be able to hire additions to its staff of five, and this is not enough to maintain high academic standards for the

more than 50 students already enrolled, he said.

The planned budget must be trimmed by nearly \$6 million if the university administration is to fulfil its promise of a balanced budget, he said.

No new lecturers are being hired and all non-tenured teachers are to be fired, Eilat said.

The 30 first-year students accepted will not be able to study here this coming year, he said.

Terrorist gets life sentence for murder

Jerusalem Post Reporter

The Ramallah military court yesterday sentenced Jamal al-Awarwa, 22, of the Beduin township of Ta'amra in Judea to life imprisonment for a series of terrorist offences including murder.

Awarwa pleaded guilty to a charge of murdering Public Works Department employee Ya'acov Kor, who was shopping with his children in the Bethlehem market on July 17, 1982.

He also pleaded guilty to receiving illegal military training, to being a member of an illegal organization (Fatah), and to preparing and plant-

ing several home-made bombs in the Jerusalem area.

The three military judges noted in their judgement that Awarwa was seriously wounded during an attack by a deranged American, Alan Goodman, on the Temple Mount in June 1983. "Despite his injury the accused continued his activities and in February 1984 recruited an accomplice," the judges said.

Awarwa and his accomplice were seriously injured when a bomb they were preparing exploded last April, leading to their capture.

Nazi victim denied welfare assistance

BONN (JTA). - A 64-year-old woman who was persecuted by the Nazis and who has lived for years on welfare allowances of the city of Hanover has been stripped of the social assistance because she received reparations money.

Mrs. Hedwig Strauss was an inmate of the Treblinka, Ravensbrueck and Bergen-Belsen concentration camps. After many years of unsuccessful attempts to get access to reparations money, she was denied the right to receive a pension but was offered a single payment of DM20,000 (about \$7,000).

Of that amount DM6,500 (about \$2,300) went to the welfare office of Hanover to cover debts for housing and electricity. The remainder went to Strauss. But she was told that she should live on it for the next three years, after which her DM338 (about \$100) monthly welfare allowance would be renewed.

The welfare office of Hanover explained that social assistance is given only to persons with no other source of income. Now that Strauss has received a substantial sum of money, she is not qualified for assistance for the time being, the office said.

Correction

NO KACH. - Contrary to election results published in the press, no one at Kibbutz Netzer Sereni voted for Meir Kahane's Kach list, the chairman of the kibbutz polling station committee said yesterday.

The press statement on Rabbi Meir Kahane's election to the Knesset published in yesterday's *Jerusalem Post* was issued by the American Jewish Congress, and not as stated inadvertently.

Six hurt in clan fight in Galilee village

KABUL (Itim). - Six persons were injured during a melee in this Western Galilee village on Tuesday night, when an argument that broke out between two families on election day turned into a clash in which dozens of residents wielded sticks, stones and iron rods.

Three men with moderate injuries were hospitalized in Haifa's Rambam Hospital, and three lightly injured men were taken to the government hospital at Nahariya. Eight men were arrested when the police arrived to restore order.

A beefed-up police contingent from Shfaram is patrolling the village to keep the peace.

BEIRUT

(Continued from Page One)

by army commander General Michel Aoun and Chief of Staff Brigadier-General Nadim Hakim. The two men, according to the state radio, demanded that Christian and Moslem warlords in the cabinet lift protection from any militiaman who violates the terms of the security agreement.

The radio said the militia leaders in the cabinet all agreed to the request, and added that implementation of the plan would begin Saturday.

The army had redeployed in Beirut on July 4, but politicians have since been complaining that there were many "loopholes" in the ori-

ginal security plan. The new plan, according to Karamneh, would plug these loopholes and restore confidence to people still sceptical of the government's ability to maintain security.

In Tripoli yesterday, street battles erupted for the third consecutive day between Sunni Moslem fundamentalists and pro-Syrian militiamen, security sources said.

The combatants traded machine gun and rocket fire for four hours before dawn. Three civilians were killed and several were wounded in sporadic fighting during the day, the sources added.

The two groups have agreed to stop fighting in one district of the city today to allow school examinations to take place. Syrian troops, Lebanese policemen and soldiers will supervise the cease fire, the sources said.

Invitation

All former students of the Shulamit Institute, Boro Park, Brooklyn, New York, who attended the school at any time since its founding more than 50 years ago, and who are now living in Israel as permanent or temporary residents, are cordially invited to join the newly formed Shulamit Alumni.

Please send your name and address, and also the names and addresses of other former students of Shulamit known to you and now living in Israel, to the founder at the following address:

Rabbi Mordecai G. Wolk,
25 Alfasi Road,
Rehavia, Jerusalem,
P.O.B. 7232, 91071.

A reception is being organized in honour of Rabbi Arthur Shik, Honorary President of Shulamit, who is now visiting Israel.

תאטרון מחדל ענבל INBAL DANCE THEATRE חגיגות 35 שנה

Monday, July 30, 9.00 p.m.

Shirot Veshirim -

Choreography: Sara Levi-Tanai
Musical arrangement: Shlomo Gruenich

Farewell to Queen Sabbath -

Choreography: Binjamin Zemach
Music: Daniel Schwartzmann

Ovot -

Choreography: Rina Sharet
Music: Shosh Reissmann

All performances at the Neve Tzedek Theatre Centre, 6 Yehiel, Tel Aviv.
Tickets: Inbal offices, Tel. 652758, 653711; Castel, Tel. 444725, and other agencies in town.

Oneq Shabbat חג שבת

HEBREW UNION COLLEGE
JEWISH INSTITUTE OF RELIGION
13 King David Street, Jerusalem

Friday, July 27, 1984, 8.30 p.m.

AFTER THE ELECTIONS: A NEW FOREIGN POLICY?

Dr. Meir Medzini, Senior Lecturer
Hebrew University, Jerusalem

Sponsored by the Theodore Delson Lectureship Fund

THE PUBLIC IS CORDIALLY INVITED TO ATTEND

THE SECOND INTERNATIONAL FESTIVAL OF PUPPET THEATRE

Jerusalem, August 8-15

135 performances from France, Austria, Canada, Britain, U.S.A., Italy, Germany and Israel for adults and children.

Shows will be presented from morning through midnight at the Train Theatre, the Khan, Ha'Ala and throughout the Liberty Bell Garden.

Tickets: In Jerusalem - Cahana, 1 Dorot Rishonim (corner of 8 Ben-Yehuda)
Tel. 02-244577, 222831
In Tel Aviv - Rehavia, 89 Ben-Gurion
Tel. 03-234344, 245772

Artists are the guests of the Jerusalem Ariel, Jerusalem Laromme and the King Solomon Sheraton Hotels.
Official Carrier: Kopel Conventions Ltd.

Motoring

THE WORD "push" is popular with the Israel Defence Force's Supply and Transportation Corps. Officers in the corps don't say that they transport food: They push food to the forces.

If it weren't for Supply and Transportation Corps Day, being celebrated today, we would know very little about the corps' activities. In honour of the occasion, journalists were invited to spend a day at one of the IDF's transportation centres.

The base we visited is very bare, many of its buildings dating back at least 20 years or more. The officers with us explained that new garages are being built now which will house modern electronic equipment that will put them ahead at least one generation.

The deputy commander of the centre, Sgan-Aluf Ami, explained that all the different corps of the IDF are served by his base, which is also in charge of the logistical planning of flying manpower and cargo around the country.

Ami was especially proud of two projects in which the corps is involved. One is the training of young people who come from broken homes or who have a minimal education.

"Through our project, we turn them into good soldiers, and from

us, they go on to become good citizens that contribute to society. Were it not for this project, many of these youngsters would never reach the IDF and would find themselves in the streets," said Ami.

The transportation corps has also initiated a variety of road safety programmes.

One of the new policies that has proven quite successful in lowering the rate of traffic accidents in the corps is sending an officer along to escort truck convoys en route to bases around the country.

"You would be surprised to learn how having an officer accompanying the convoy affects the drivers — they do not exceed the speed limit. The officer sees to it that the drivers stop to rest according to the rules. This means," Ami went on, "that after four hours they must pause for at least half an hour; after eight hours, for one hour and after 14 hours, they must stop for a seven-hour rest."

He added that the transportation corps works very closely with the military police and on top of that, it has a special mobile inspection unit on the roads all the time checking up on drivers and on vehicles, too. (Every officer at the corps who is on the roads is authorized to inspect drivers and trucks.)

Move it out!

On the occasion of the IDF's Supply and Transportation Corps Day, Yitzhak Oked visits an army transportation centre.



(David Rubinger)

Fiat in the black

FOR THE first time in four years the giant Italian Fiat automobile company is in the black. It also emerged as Western Europe's leader in the tough automobile market during the first quarter of this year.

In the middle of May, a crippling metal-workers strike in Germany brought automobile production there to a halt. In nearby Italy, however, not only was work continuing as usual, but the company and its workers seemed to be going from strength to strength. At nearly the same time, Fiat announced that in 1983 their profits had doubled and that they were planning a major fund-raising operation for large-scale growth over the next three years.

Speaking recently to a group of visiting Israeli journalists in Turin, Dr. Lorenzo Cezari, sales director for the European area, explained that their success was due largely to the fact that the Italian trade unions had understood that Fiat had to lay off 20,000 workers and introduce robotization and other automation in their plants.

They also gave their cars a massive face-lift, and part of their present sales success in Europe and worldwide are two new models, the Uno and the Regata.

He revealed that at present, Fiat is producing about 2,300 Uno cars a day while the demand is for 300 more. Demand for the Regata is also greater than Fiat's production capacity.

He said that Fiat had achieved good results in the Israeli market despite stiff competition. Breaking into his warm Italian smile, he added that he knew that Israel's new-car market roller-coasted up and down depending on different political and economic policies.

He said that because of all these problems it was hard to plan in advance production to fill orders from Israel.

Israel is an important market for Fiat, with yearly sales of about 7,000-8,000 cars per year, he said, and added that Israel buys more Fiat cars than several European countries.

THE TALE of Moshe Baranovsky, a partner in the Japanauto Israel Auto Corporation which imports Subaru, is a real Israeli-style success story.

After a few minutes in his office discussing some of the new Subaru models the corporation is planning to import, the conversation was finally steered towards Baranovsky himself. His employees say he is over 70 but he looked much younger.

Born in Lithuania, he arrived in Israel in 1932, trained as a car mechanic. By 1936 he was working with Nachum Shuruk importing motorcycles and bicycles.

Then he decided to go it alone, having noticed that the American motorcycle firm Harley-Davidson did not have an agent in this country. After many months correspondence with representatives of Harley-Davidson, he was invited to America in the summer of 1939 to sign an agreement.

"After negotiations with officials in Milwaukee I went away with a signed deal. But my happiness was short-lived — war broke out in Europe."

Even after the war the British were not too anxious to have him import non-British products.

Finally, about seven years after the agreement was signed, he was able to get to work.

The motorcycles were an instant success, since at the time a Harley-Davidson was as much of a status symbol as a push automobile is today. "Do you know that even today some Harley-Davidson motorcycles cost more than a regular car?" he said with a twinkle in his eye. Baranovsky admits that part of his success is due to his stubbornness. He simply would not give up, despite the difficulties.

As an example, he spoke of his ambition to sell the just-established Israeli Police force his Harley-Davidsons. His trump card was that the new government did not want to buy the British bikes.

After a lot of negotiations, the bottom line was that the new government simply did not have enough money to buy the new motorcycles. Baranovsky, however, managed to sell the police second-hand motorcycles instead, picking them up at discount prices abroad.

Business improved slowly, and just when he thought he was about to hit it big, he was hit by a new



The new 1000-cc Subaru 'Just'

From bikes to dream cars

Yitzhak Oked

problem — the rising increase in popularity in the fifties and early sixties of the Vespa and Lambretta motor scooters.

If you can't beat them join them. He got into contact with a man who had imported motor scooters from Japan, and did not have the money to pay the customs charges.

Baranovsky bought the scooters, liking in particular the automatic gears and electric starter. But it was a delicate machine compared to the Italian models.

Baranovsky took it apart and, after finding a series of things that could be improved, wrote a long letter to the factory in Japan advising them on how to improve it. The Japanese took note.

Baranovsky's problems continued. Trying to import Japanese scooters, he found there already was an importer here. Yeshiel Weizman (Ezer's father) had a barter agreement with the Japanese — he sold them citrus fruit and they paid him in motorscooters. Weizman hadn't found a market in Israel, however, and was selling the scooters to a Turkish businessman for sale in Turkey. Baranovsky had to buy the scooters from the Turkish businessman, losing most of his profits on the way.

But the stubborn streak in him told him to continue, and despite the difficulties he went on buying the scooters. At the same time he was writing to the manufacturers, giving them more ideas on how to improve the scooter. This persistence paid off in the end, when the Japanese

awarded him the Israeli agency in gratitude for his suggestions.

Soon after, however, the Japanese decided to discontinue the scooters and go into the field of small automobiles. They said they would give him the agency for these cars — Subarus — in Israel.

Baranovsky jumped at the idea. He remembers that it was no easy decision, since according to Ministry of Transport regulations he needed to buy a minimum number of cars and promise to supply spare parts for seven years.

Then he was dealt another blow, receiving a telegram from Japan stating that "the deal was being cancelled and a letter is on its way."

Baranovsky didn't wait for the letter, he scraped together the money and took off for Japan. There, he eventually found out that the cancellation of the contract was due to pressure from the Arab League.

"I threatened them, saying that if they did not grant me the contract back, I would turn to the Jews of the world, especially in the U.S., and call on them to boycott all Japanese products. Remember, this was the late 1960s when Japanese cars, cameras and electronic products had just started to appear in the West."

This threat worked. The automobile manufacturers in Japan caved in and sacrificed Subaru to the Arab boycott.

Baranovsky thus began selling

Subarus, taking in two partners and forming the Japanauto agency.

Baranovsky continues to send in proposals on how to improve the Subaru. He was influential in making the Subaru cars wider and also told the company to change the seat-belt design.

There was also a problem with the keys: thieves had an easy time breaking into the Subaru, so Baranovsky asked for the locks to be changed. He remembers that when he brought up this proposal the Japanese did not believe that the Israeli thieves were so sophisticated.

Being a good businessman, he closed the interview expounding the virtues of the new Subaru models, due in September. "They're going to be dream cars."

Showroom 'stampede'

IN THE weeks before citizens made their way to the polls, many — surprisingly enough — were stampeding automobile importers' showrooms.

Usually July and August are slow months in the showrooms and those customers who do come in are ordering the next year's car models, which appear on the market each September. Consequently importers try to arrange their orders so that they are left with as few cars as possible during the summer months.

Yet this year, these are "hot" months for Israeli car buyers — including both private customers and companies (rent-a-car and other firms) who are adding to their auto fleets. It seems that people fearing post-election belt tightening in the form of a big devaluation of the shekel and new taxes want to buy year-old models instead of waiting for the 1985 cars.

Many local importers have arranged to bring in more 1984 cars to keep up with this unexpectedly high demand. One of them, Yosef Alshech, managing director of the Mediterranean Car Agency which imports Fiats, says he believes his company will be able to sell all of their stock.

But next year will be a different story. There is a good chance, Alshech adds, that there will be a higher VAT and other new regulations which will paralyze the 1985 car market for several months. As opposed to the 50,000 or so cars that he estimates will be sold this year, the 1985 model year will end with sales of only about 30,000 to 40,000.

Moshe Baranovsky, one of the partners of the Japanauto Agency which imports Subarus, says that they plan to order fewer cars this coming year. Subaru's factory in Japan is

also planning to send fewer cars to Israel and to other countries in September, as most of the 1985 models are totally different and it will take several months until the company will be able to manufacture enough to satisfy the world demand.

Baranovsky believes that one of the post-election results might be a sharp increase in the price of fuel. "Nothing will happen to us if we sell only a few cars (next year). We have gone through bad times and have always come out of them all right," he says.

The importers of Peugeot, Citroen and Talbot are planning to attract customers by introducing some new models. Peugeot plans in September and October to introduce the new automatic GT 305 with a 1600-cc engine and power steering. Another new model on the market will be the Citroen BX.

Yair Ankori, general manager of Noa Ltd., which imports Daihatsu, says that his company is flexible and is prepared to "tighten its belt" or to expand its operations as necessary in the coming months.

Yisrael Tchetchik, the new general manager of Champion Motors, imports of Volkswagen and Audi, says there is no reason for the public to become hysterical since it will take at least a month or more before any economic decisions will be taken by the new government. He does not believe that the sales of 1984 models will be endangered.

Tchetchik adds that his firm will not be hurt as much as others by post-election changes in policy because part of its sales is made up of commercial vans and he believes that there will not be a great drop in sales of these vehicles.

Pirelli Means Advanced Tyre Technology

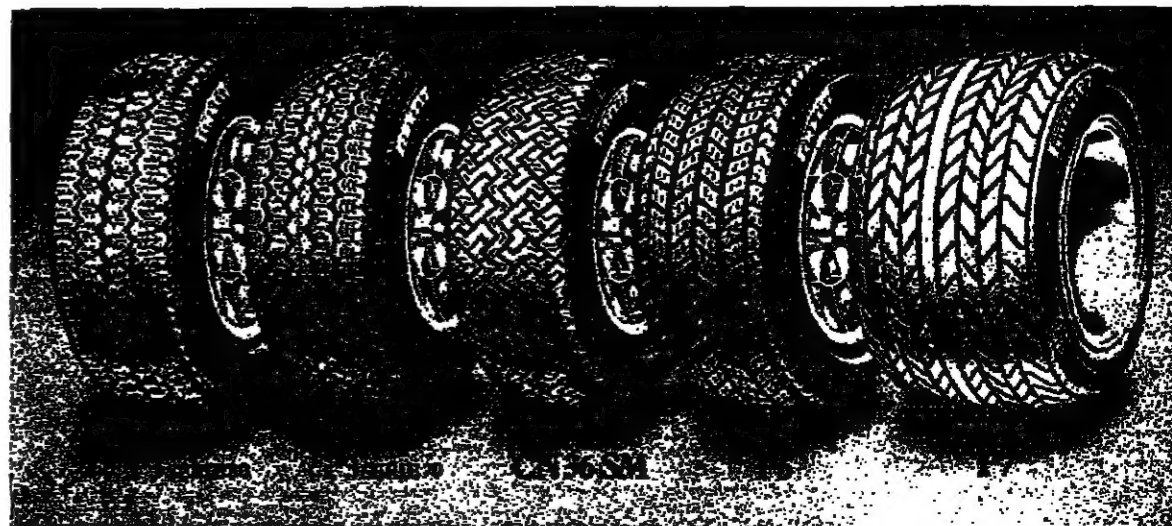
It's no coincidence that so many car manufacturers have been using Pirelli tyres. Nor is it a coincidence that certain car makers often use us exclusively for their most sophisticated models. And again, it is no coincidence that Pirelli keeps generating victory garlands at Rally contests. It's all the result of Pirelli's advanced technology.

- P3, 70-80 sections for passenger cars
- CN36, 70-80 section for large passenger cars (American, station and the like)
- Wide P6 models, 60-65 sections for sports and prestige cars
- P7, especially wide, 50-55, on world racing car leaders and special sports cars (Lamborghini, Ferrari, Porsche and similar models)

Cooperation between Pirelli and car makers has given rise to a meaningful quality combination. Stable turns; safety on wet, faulty roads; more efficient braking; comfortable driving; greater tyre durability; better car control. This is what Pirelli technology amounts to, and the exclusive road advantages it gives you.

PIRELLI

Sole Agent and Distributor: Tamig Ltd.
38 Yitzhak Sadah St., Tel Aviv
Tel. 03-337798, 337011
ALWAYS AT YOUR SERVICE



Silencer fitting stations

EXHAUST CENTRE

Quality guarantee for one year

Holon: Industrial Area, 25 Rehov Hapeled, Tel. 808120
Yehud: 38 Rehov Ha'atzmaut, Tel. 363269

EXHAUST PROBLEMS? WORK DONE WHILE "U" WAIT
18 years' experience in North America.
Pipe bending on premises for any type of vehicle.
7 HANAZIV St., Tel Aviv, Tel. 03-336761.

Mighty Muffler Ltd.

Ya'ad Car Service

- ★ Radio ★ Stereo ★ Alarms and accessories
- ★ Workshop for repairs ★

Derech Hashalom 7, Tel Aviv. Tel. 03-255740

Special Tire Offer

- ★ With every purchase of 4 radial tires (any make), you will receive a fifth one free or a 20% discount and 7 days' credit.
- ★ For every repair job: puncture, wheel alignment, or purchase of a tire of any make, we offer a 20% discount and 7 days' credit.

David Gafni and Yehzekel Mizrahi

Hanigdal Tires
Rak Harachini parking lot, 2nd basement, Migdal Shalom, Tel. 058811
Free Parking Open 8 a.m. - 8 p.m.

Your life depends on your tires. Buy them from a dependable dealer. We speak your language.

AUTO-SAFE the best vehicle alarm systems

AUTO-SAFE becomes operative automatically, when you leave the vehicle — no switch, no secret key, nothing you can forget. Damp, dirt and shock resistant — no false alarms.

20% discount to Jerusalem Post readers

D.K.E. Electronics Ltd.
National distribution and service
7 Masada St. Tel Aviv 67 080; P.O.B. 9066, Tel Aviv 61 090, Tel. 35855
DANIEL, Atm. D.K.E. Tel. 03-338828

EXHAUST RADIATOR
Quality Workmanship and service at — **BENTON**

BENTON Automotive Shops
12 Nirim St., Tel Aviv near Hechal Hasport
1 Masada St., Tel Aviv Tel. 337950, 333709, 335019.

Mandelbaum: Monetary restraint to continue

By PINHAS LANDAU
Jerusalem Post Reporter

"The post-election period is the time to continue with a policy of strict monetary restraint. This will cause manufacturers and exporters to bring their earnings into the country." This statement of existing policy, by Bank of Israel governor Dr. Moshe Mandelbaum on Tuesday evening, indicates that any hope of a reduction in the very high real rate of interest charged by the banks on loans and overdrafts, has no base in reality at present.

Replying to questions from *The Jerusalem Post*, Mandelbaum said that he was not concerned about the high level of liquidity deficits currently being suffered by the banking system. The relative weight of unlinked credit in shekels, compared to the total amount of credit advanced by the banks, was very small, he said, reiterating the central bank's

position that the shortage of shekels in the banks could be resolved by raising the rates of interest paid to depositors in short-term shekel deposits.

The governor indicated that the level of real rates was not as high as it seemed, or at least was not likely to remain so high, given the increase in the rate of inflation expected in August and September—beyond the current level of 13-14 per cent.

At present, interest on authorized overdrafts is in the region of 18-20 per cent, so that the real rate—the difference between the nominal rate of interest and the rate of inflation for that month—is some 5-6 per cent.

Industrialists and commercial groups alike have been calling for a reduction in this figure, which comes to well over 100 per cent on an annualized basis. It is impossible to maintain a viable business when financing costs are so astronomically



Moshe Mandelbaum
(Aliza Auerbach)

high, has been their complaint. Banking circles, too, have expressed concern at the prospect of having to "pick up the pieces," i.e. collect bad debts from firms and

businesses that have gone to the wall under the pressure of these financing costs.

As noted, however, no change in this policy is to be expected, at least in the foreseeable future.

The governor noted, however, that the Bank of Israel was not interested in raising the rate of interest it charges on its monetary loans to the commercial banks at the present. This rate is the effective base rate for all the other rates of interest for borrowers and lenders throughout the banking system and, by extension, in the "grey market" for loans that exist outside the banks. This rate would only be raised, said Mandelbaum, if the banks raised their own rates first.

The governor's suggestion that the banks seek to solve the shortage of shekels by raising interest rates to depositors is rejected by the banks. In the first place, they say, the large deposits which form the bulk of the funds they borrow receive very high rates already, often as much as 19-20 per cent. Their margins have thus

been whittled away to almost nothing.

Bank Leumi formally raised rates on small deposits in Palkam and Tapas accounts by 2-3 per cent at the beginning of this week, in an attempt to attract more funds to these types of accounts. Other banks have also raised their rates, but in an informal and less public way, often giving the branch managers significant leeway in deciding what rate individual customers should receive.

Furthermore, the banks point out, this upward crawl in the rates they pay has done nothing to stem the run out of shekels and into dollars, which is the real source of the lack of shekels in the system. Given the continuing fear of a large devaluation, this trend is not likely to change, and the liquidity deficits that already amount to IS25-30 billion shekels—after the banks have already utilized the loan from the central bank of IS40b.—will continue to weigh on the system and prevent the banks from returning to anything approaching reasonable profitability.

The announcement yesterday by Bank Mizrahi, whose liquidity position is much tighter than that of the "big three," that it was raising the rate of interest it charges by 2 per cent, is a sign that the situation on the monetary front is continuing to deteriorate.

It may be that this latest move will spark off another round of general increases, although that will only become clear in the next few days.

Med-Dead canal company gets first feasibility studies

Jerusalem Post Reporter
The Israel Electric Corporation this week began furnishing the Mediterranean-Dead Sea Canal Company with the first in its series of economic feasibility studies. The study comments on a water flow plan for "Med-Dead" prepared by Tahal, the Israel Water Resource Planning Company.

The Electric Corporation's study was prepared by the company's environmental protection and research-and-development department.

\$10 million plant planned by Dead Sea Periclase

Jerusalem Post Reporter
BEERSHEBA.—The board of directors of the Dead Sea Periclase company, at its meeting last week, approved a \$10 million project for a new plant, which will produce specialized magnesium products for pharmaceutical use.

The new products will be marketed in cooperation with another Israeli Chemicals subsidiary, Giulini Chemie of Germany.

Moshe Zahavi, the company's director, said that the project will take two years to complete. The new plant is expected to increase the company's exports by nearly \$10m. a year.

Zahavi said that in the 1983/4 fiscal year, Dead Sea Periclase increased both profitability and production, thus maintaining its stand-

ing as "the producer of the finest quality magnesium available."

For that period, the net profit before taxes was \$3.1m. (11 per cent of total income), up from the previous year's \$1.7m. (8 per cent).

The company sold 44,000 tons of periclase and calcined magnesium in 1983/84, an increase over the previous year's 31,000 tons.

Dead Sea Periclase is located in Mishor Roten near Arad. Its process uses brine from the Dead Sea and natural gas from Rosh Zohar.

Its main product is magnesium oxide, which is used to coat bricks, making them fire-resistant, used in ovens to produce metals.

Zahavi noted that international demand for the company's products was gradually increasing, due to an easing off in the worldwide economic recession.

Move Isratek to the U.S., expert says

Jerusalem Post Reporter
Last May's Jerusalem Economic Conference portrayed the many advantages Israel offers to foreign companies, many of whom had heard of Israel's brainpower, but had not been exposed to it, Elmer Winter, chairman of the Committee for Economic Growth of Israel, told *The Jerusalem Post* recently.

American executives at the conference perceived Israel to be on a par with Japan, moving ahead at the fastest pace in high technological development.

At the concurrent Isratek exhibition, serious business relationships were created, he went on, but these

will have to be turned into solid agreements. "Israel's government offices abroad will help, as will our organization, but it will be up to the Israeli industrialists to keep the momentum going."

One way to do this, he suggested, would be to move Isratek to the U.S. in 1986. "It is always more intelligent and effective to take pushovers to the base home of the buyers. Instead of showing Israeli high technology test products to foreign buyers here, let's put on a first class show in New York in 1986, for 100,000 buyers," he said.

"This type of exposure will create many new joint ventures, export sales and licensing of technology to Israeli firms."

Bank of Israel exchange rates

July 25, 1984	IS		IS
U.S. dollar	269.55	Australian dollar	223.59
British sterling	357.25	South African rand	171.97
German mark	94.018	Belgian franc (10)	46.522
French franc	30.638	Austrian schilling (10)	133.95
Dutch guilder	83.284	Italian lire (100)	153.14
Swiss franc	110.40	Japanese yen (100)	109.58
Swedish krona	32.363	Irish pound	289.09
Norwegian krone	32.574	Spanish peseta (100)	700.83
Danish krone	25.745	Jordanian dinar	44.930
Finnish mark	44.648	Lebanese lira	219.68
Canadian dollar	204.48	Egyptian pound	

Birdwatching in Israel

Israel is regarded as a birdwatcher's paradise, and local enthusiasts by the thousands participate in birdwatching and other nature-related activities.

BIRDWATCHING IN ISRAEL is a publication of special interest to all bird-lovers. All you need to know on local avifauna, including a complete list of bird species in Israel, and how, when and where to find them, plus other information vital to the birdwatcher in Israel. A publication of the Society for the Protection of Nature in Israel. Beautifully illustrated, magazine format, 33½ x 24 cm., 48 pages.



Price: IS 1700
(Price valid through July 31, 1984)

To order, fill out the coupon below and send it along with your cheque to The Jerusalem Post.

To: Books, The Jerusalem Post, P.O.B. 81, Jerusalem 91000.

Please send me BIRDWATCHING IN ISRAEL I enclose IS 1700

NAME
ADDRESS
CITY ZIP

The Fund for Strengthening Israel's Defence

The Heart-Warming Corner of LIBI

THIS WEEK

★ Biggest Contribution

Israel Association for Research and Education Funds, Tel Aviv

IS 292,320

★ Most Touching Contribution

Aliza and Yacov Ben-Yishai, Dimona, in memory of their son, Oren, who died while evacuating the wounded from the Monia Hotel fire

IS 60,000

★ Youngest Contributor

Pupils of grade yod-alef 1, Negev Industrial School, in gratitude to the Nuclear Research Establishment, Negev

IS 20,000

Now more

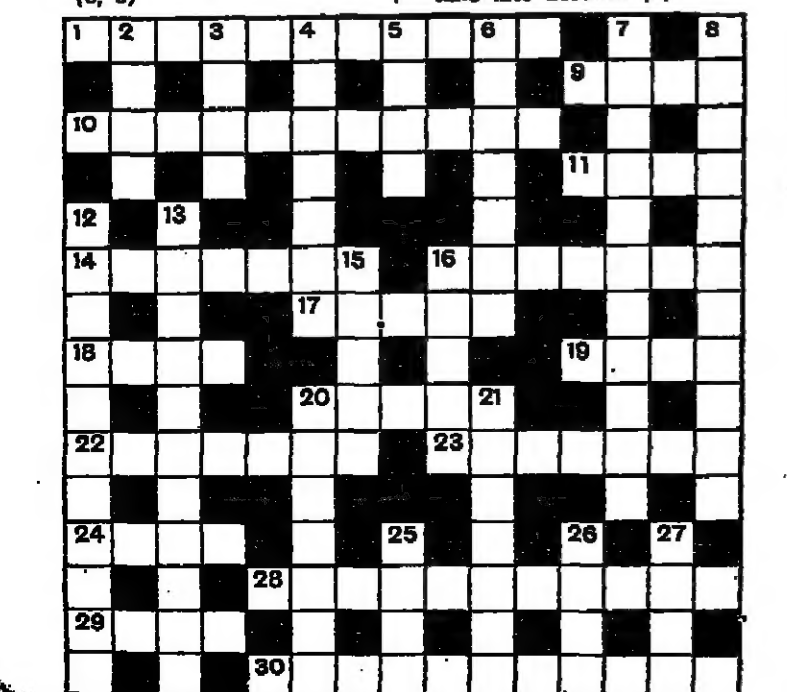
than ever — give to LIBI

The Libi Fund: 17 Rehov Dalet (Arania), Hekirya, Tel Aviv 64 734



ONE-AND-ONE CROSSWORD

- ACROSS**
- Very poorly placed in the scramble for oil riches? (3, 4, 4)
 - Thrash a monk whose attitude to life is unchristian (4)
 - Fearfully rigid? (6, 5)
 - Unusual kind of leaf-insect (4)
 - Name for an office, possibly (7)
 - Extensively used milk product (7)
 - The rich profits that can be made out of meat (5)
 - A medal jocularly struck just before dinner (4)
 - Bygone I object about? (4)
 - Meets the requirements of legal actions (5)
 - Built-up highway that goes across a valley (7)
 - Help from above for the beleaguered garrison (7)
 - Moslem mystic who rebuts us if rejected (4)
 - Not how Lewis has become converted to cycling? (2, 5, 6)
 - Have gainful employment (4)
 - Piece of legislation that is full of good intentions? (8, 3)
- DOWN**
- Hoguish king breaking into a small place of worship (4)
 - A class of regressive Marines (4)
 - Ridiculously small price to pay for a traditional art? (3, 4)
 - The Government's Wild West critics (4)
 - Frequently embraced by a girl in an exalted manner (7)
 - A game sort of battle over an Irish county (town) (5+)
 - Dartmouth boys who are after commission (5, 6)
 - An itinerant water-carrier? (5, 6)
 - Unconcealed animosity on the international scene (4, 7)
 - Tutor re-engaged for the second course, maybe (5)
 - A musical in which there is remarkable vitality (5)
 - Examiner who sets eyes on a piece of radar equipment? (7)
 - Strong and vigorous weeds in wild disarray (7)
 - Dainty little note we bring in (4)
 - Give no answer? (4)
 - Smart fellow the French take into account (4)



GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Bayit Vegan, Shaare Zedek, 555502, Balsam, Salah Eddin, 272315, Shu'afat, Shu'afat Road, 810108, Dar Aldawa, Herod's Gate, 282058, Tel Aviv: Lev Hahay, 69 Ehad Ha'am, 613662, Kupat Holim Chalit, 7 Amsterdam, 225142, Petah Tikva: Kupat Holim Chalit, Haim Ozer, 905271, Netanya: Nof Shaked, Ezorim Commercial Centre, 52484, Haifa: Yavne, 7 Ibn Sina, 672288.

DUTY HOSPITALS

Jerusalem: Hadassah E.K. (pediatrics, ophthalmology), Shaare Zedek (gynecology, surgery, orthopedics), Bikur Holim (internal, E.N.T.), Tel Aviv: Rotsch (pediatrics), Ichilov (internal, surgery), Netanya: Laniado (obstetrics, internal, pediatrics, gynecology, surgery).

DUTY HOSPITALS

24-HOURS FLIGHT INFORMATION SERVICE
Call 03-972484
(multi-line)
ARRIVALS ONLY
(TAPED MESSAGE)
03-381111 (20 lines)

FIRST AID

Hagen David Adom emergency phone nbs, bers (round the clock service). Ashdod 41333, Ashkelon 23333, Bat Yam 585555, Beer Sheva 78333, Carmiel 988555, Dan Region 781111, Elat 72333, Hadera 22333, Haifa 512233, Hatzor 36333, Holon 803133, "Mobile Intensive Care Unit (MICU) service in the area around the clock. 101 Emergency, phone number in most areas. Rape Crisis Centre (24 hours), for help call Tel Aviv, 234819, Jerusalem — 810110, and Haifa 88791.

"Eran" — Mental Health First Aid, Tel.: Jerusalem 669911, Tel Aviv 253311, Haifa 538888, Beer Sheva 48111, Netanya 35316.

For information on Battered Women Shelters call Family Violence Service — 03-231675/235922 or any of the Rape Crisis Centre or Eran hot lines.

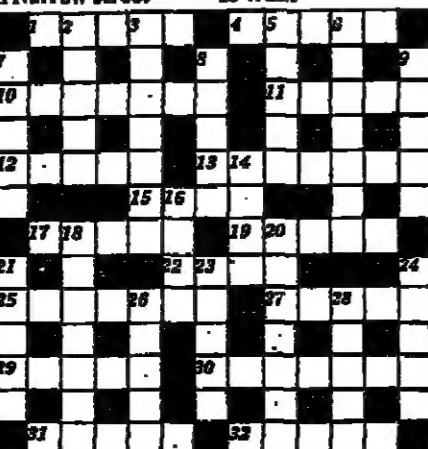
Jerusalem Center for Drug Abuse and Misuse Intervention, Tel. 663828, 663902, 14 Bredichem Rd.

POLICE

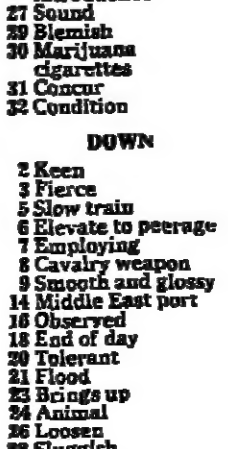
Dial 100 in most parts of the country. In Tiberias, dial 924444, Kiryat Shmona 4444.

QUICK CROSSWORD

ACROSS
1 Old magistrate
4 Narrow street



DOWN
10 Italian lady
11 Artificial waterway
12 Nanny
13 Diameter of bullet
15 Want



Yesterday's Solution

ACROSS: 1 Nothing, 5 Known, 8 Ring, 9 Almond, 10 Browning, 11 Tooth, 12 Desire, 14 Ordeal, 17 Label, 19 Torment, 20 Trapper, 23 Bruce, 24 Dodge, 25 Beatrice. DOWN: 1 Nabok, 2 Thinker, 3 Icon, 4 Grange, 5 Kallio, 6 Obama, 7 Edward, 8 Dietrich, 9 Reappears, 10 Elevate, 11 Starch, 12 Brand, 13 Babus, 14 Tree.

Tourists, while you're taking it easy, an easy way to make money and receive a special gift.

Here's a way of enjoying extra benefits from your vacation in Israel. A minimum deposit of only US \$1000 (or its equivalent in other major foreign currencies) for as little as one week, and your money goes to work for you:

- Earning high interest.
- Exempt from Israeli taxes.
- A special gift: A personal Jewish National Fund Certificate in your name, for a tree contributed by Bank Hapoalim.

While you're opening your account at any of our branches, ask about our other Free Foreign Currency Accounts. Bank Hapoalim will show you how easy it is to put your money to work for you.



Bank Hapoalim

Head Office: 50 Rothschild Blvd., 6124 Tel Aviv, Israel. Tel. 03-628111.

Foreign Currency Centers:
Tel Aviv: 104 Hayarkon St., Tel. 03-243311, 244357.
Jerusalem: 26 King George St., Tel. 02-322249.
Netanya: 11 Kikar Ha'atzmaut, Tel. 052-39741.
New York: Los Angeles • Chicago • Philadelphia • Miami • Boston • Toronto • Montreal • London • Manchester • Paris • Zurich • Luxembourg • Buenos Aires • Sao Paulo • Rio de Janeiro • Caracas • Mexico City • Montevideo • Punta del Este • Santiago • Panama City • Cayman Islands • And 350 branches of the group in Israel.

BEAT INFLATION

with **ROST** classifieds:

FLOCCINAUCINIPIPLIFICATION

counts as one word!

Money Matters

Thursday, July 26, 1984 The Jerusalem Post Page Seven

Calm restored after dollar panic

TEL AVIV. - Life returned to normal on the stock exchange yesterday, after the previous day's panic, inspired by the freezing of foreign currency transactions. Once it became clear that no major devaluation - at least in the formal sense - was in the offing, the excesses of Tuesday quickly wore off.

While bonds continued to climb, and turnover remained heavy in the bond market, share volume dropped dramatically. The bank shares in the "arrangement," beneficiaries of the huge demand the day before because of their dollar-linked status, suffered from selling pressure and lost about half of the gains they had made on Tuesday.

Elsewhere in the share market, prices were generally stronger, but the great weight of the bank shares in the General Share Index served to pull it down by almost 2 1/2 per cent.

The bond market is still trading heavy volumes, levels that are huge compared to those of two or three weeks ago. The trend is now firmly up, and the buyers are primarily institutional investors such as pension and provident funds, which are using the low prices available as a welcome alternative to buying new issues of government bonds.

They can choose between different sorts of bonds, with different maturity spans, differing indexation and interest terms and, perhaps best of all, the possibility of selling the bonds in the market if prices rise significantly. The bonds that the funds usually buy are special issues, put out specially for them, and not tradeable on the open market.

The Bank of Israel is also happy to be relieved of the enormous supply of bonds it has built up over the weeks and months of its support actions in the market. The negative feature of this development is, of course, that the government is not able to raise money in the market or from the funds, as it would if they would buy new issues in the normal way. Its already-depleted revenues will therefore shrink even further.

The bond index, even after the rises of the last few days, is only standing at the level of 239, on the basis of December 31, 1983-1980. In other words it has risen by 139 per cent so far this year. If the July index comes in on target at the 13-14 per

Tel Aviv Stock Exchange

By PINHAS LANDAU

cent level, and does not surprise the analysts by rising more than expected, the rate of inflation for the year will be above 150 per cent, on the basis of average July prices. Thus it is clear that the bond index is still trailing the pace of inflation, and further steady rises in bond prices are needed if this shortfall is to be made good.

The share market, other than the "arrangement" sector, is in a steady "shrivelling-up" pattern, with volume now averaging less than IS150 million on a daily basis. The price level is also eroding in real terms, although periodic upward spurts, such as those of the last few days, help to keep this process in check.

However, until some signs of economic stability emerge, no-one expects the underlying downward trend to change.

Mollet Paper Mills, a subsidiary of American Israel (Hadara) Paper, published its results for the 1983/4 year. The company showed a loss after adjustment to inflation of IS27.4m., an improvement over the equivalent figure for the previous year, which was a loss of IS54.3m., in March, 1984 shekels. The nominal profit increased more than six-fold, to IS47.2m.

Chal Industries announced that it is to hold an extraordinary general meeting to unify its A, B, and C class shares into A class shares only. None of these classes are currently traded on the market. Only the ISI shares, which form the great bulk of the company's capital are traded.

However, the A class shares are far superior in voting power, and carry the right to appoint nine members to the board of directors. These directors are allowed to remain in office until their appointment is revoked by the class A shareholders, and are not obliged to seek re-election at the regular annual general meeting.

Cyclone Aviation Products announced that in the fiscal year

MARKET STATISTICS

Indices

General Share Index	254.22	-2.49%
Non-bank Index	190.15	+2.01%
Arrangement Bank Index	258.42	+4.28%
Industrial Index	202.67	+3.17%
Bond Index	239.15	+1.95%

Turnovers

Shares	IS\$49.5m.
Bonds	IS\$180.6m.
Total	IS\$230.1m.
Advances	127
Declines	69
of which 5% +	39
"Buyers only"	10
"Sellers only"	4

Bond market trends

4% fully-linked:	Stable to 3% rise
3% fully-linked:	Stable to 4% rise
80% linked:	Stable to 3-4%
90% linked:	Falls to 2%: Rises to 4%
Double-option:	3-5% rise
Most-linked:	3-4% rise

Most Active Shares

Leumi	4050	1897.1m.	-218
Hapoalim	6400	1566.9m.	-344
IDB	9230	1551.7m.	-700

Sharpest Moves

Rogovin op.	103	+33	+47.1%
Interpump op.	60	+10	+20.0%
Alkot op.	90	+15	+20%

ending March 31, 1984, it had a nominal profit of IS97.9m. (compared to IS60.1m. in the previous year), but after adjustment for inflation the profits turned into a loss of IS106.5m. (compared to an adjusted profit of IS56.4m. in the previous year).

Israel Petrochemicals announces that Yehuda Gil has been appointed acting chairman of the Board of Directors (during the absence of Joel Ostrovitz) as well as chairman of the company's executive committee.

Dankner Investments (real estate) reports a IS215m. profits for the year ending March 31, 1984, which after adjustment for inflation, shrinks to IS66.6m. In the previous year, the company made IS16.2m. in profits which became IS2.5m. after adjustment for inflation.

LONDON BANK RATES

	July 25, 1984	close
bank base rate	12	12
call money	12 1/2	12 1/2
91 day treasury	11 1/2	11 1/2
3-months interbank	12 1/4	12 1/4

Lloyds Bank

Japan warns U.S.

over steel restrictions

TOKYO (AP). - The Japanese government yesterday issued a formal warning over proposed U.S. restrictions on steel imports and said the measures, if adopted, would run counter to U.S. commitments to roll back protectionism.

Minister of International Trade Hikosaburo Okonogi, in a rare statement to U.S. President Ronald Reagan, said he was "seriously concerned" about the recommendation issued by the U.S. International Trade Commission (ITC) to impose quotas and levy tariffs on five different steel products.

Reagan must decide by September 24 whether to accept, modify or reject the recommendation, which is designed to relieve the ailing U.S. steel industry for a period of five years.

The ITC proposal was approved by a split 3-2 decision for recommendation and covers semi-finished steel, sheet and strip, plates, structural, and wire products.

DAHAF
accepts ads
round the clock

URGENT FAMILY ANNOUNCEMENTS, AND ALL OTHER TYPES OF ADS FOR THE JERUSALEM POST

ACCEPTED 24 HOURS A DAY AT DAHAF DIZENGOFF 118 DIZENGOFF (opp. Cassit)

TEL. 239952, 248518

CARPET CLEANING AND REPAIR

* ALL TYPES OF CARPETS *
Specializing in Persian and Chinese Carpets * Wall-to-Wall Carpets Cleaned in Your Home *
Evaluation of Carpets for Insurance Purposes * Furniture Cleaning in Your Home.
Free collection and delivery
ALL SERVICES FULLY GUARANTEED

ARGAMAN
Netanya, 053-31003, 33867

New in Herzliya!!

Kontiki Tourism Services

General agents for ARKIA in the SHARON area.

EILAT - FLIGHTS - HOTELS
Car rental services available.
Further information from:

Kontiki Tourism Services
78 Sokolov St., Herzliya, Tel. 052-86230.
11 Ha'atzmaut Square, Netanya, Tel. 053-40734.

UNITED MIZRAHI BANK

COMPARE YOUR MONEY EARNS MORE

DOLLAR PAZ AND "EURO PAZ" PRICES FOR 24.7.84	
CURRENCY BASKET	PRICE
"DOLLAR PAZ" 1 UNIT	815.8076
"EURO PAZ" 1 UNIT	918.8887
SDR	272.3692

FOREIGN CURRENCY EXCHANGE RATES FOR 24.7.84	
COUNTRY	CURRENCY
USA	DOLLAR
GREAT BRITAIN	STERLING
GERMANY	MARK
FRANCE	FRANC
HOLLAND	GULDEN
SWITZERLAND	FRANC
SWEDEN	KRONA
NORWAY	KRONA
DENMARK	KRONA
FINLAND	MARK
CANADA	DOLLAR
AUSTRALIA	DOLLAR
SOUTH AFRICA	RAND
BEELGIUM	FRANC
AUSTRIA	SCHILLING
ITALY	LIRE
JAPAN	YEN

FURTHER DETAILS AT OUR INFORMATION DEPARTMENT
4 ABUZAT BAYIT ST., TEL AVIV,
TEL. 629414, AND AT ALL OUR BRANCHES.

UNITED MIZRAHI BANK

FOREIGN CURRENCY

Yesterday's foreign exchange rates against the Israeli Shekel, for U.S. dollar transactions under \$2000 and transactions of other currencies under the equivalent of \$500.

Selling	Buying
US\$	271.225
DM	359.5049
FR	94.5882
DM	30.8417
Dutch G	83.8140
Swiss FR	111.1202
Norwegian KR	32.5793
Danish KR	32.8038
Finland MK	25.9064
Canada \$	44.8672
Australian \$	205.525
Rand	221.8922
Belgian Cn (10)	175.6770
Belgian Cn (10)	46.8189
Yen (100)	46.4262
Yen (100)	154.7688
Spanish Ptas (100)	110.280
Italian Lira (1000)	168.391
Italian Lira (1000)	154.1472

GOLD: \$335.80/\$36.30

SPOT RATES:

US\$	1.324555
DM	2.866975
FR	2.441525
DM	8.77925
Italian Lira	1760.001
Dutch G	3.236375
Yen	245.0515
Danish KR	10.472575
Norwegian KR	6.250000
Swedish KR	8.722575
Belgian Cn	57.9396
Belgian Cn	58.3944

FORWARD RATES

1 month	1.324555
3 months	1.324555
6 months	1.324555
12 months	1.324555

Company	Volume	Change	% change	Company	Volume	Change	% change	Company	Volume	Change	% change
Commercial Banks (part of "arrangement")				Textiles and Clothing				Metals and Metal Products			
OHH	2080	+100	+5.1	Offs	163	+4	+2.5	Metals	227	-	-
Maritime 0.5	1098	+280	+10.0	Offs op	78	+20	+25.4	Metals op	240	-	-
Maritime 1.0	300	1884	+1	Baruch 1	520	45	n.c.	Urdan 0.1	3050	+150	+5.2
N. American 1	1771	11	-9	Baruch 2	270	76	n.c.	Urdan 0.5	1620	31	-2.0
N. American 5	1238	3	n.c.	Baruch 3	84	32	+3.8	Urdan op	1173	-	-
N. Amer. op	2197	18	-10	Alaska Sport 1	86	32	+3.8	Cables	920	7	-0.8
Danot 1	320	48	+15.0	Alaska Sport 2	33	10	n.c.	Hatch 1	340	10	+2.9
Danot 2	77	48	+2.7	Eftan 1	74	156	+1.4	Hatch 2	201	31	+15.5
Danot 3	188	-	-	Eftan op	54	270	+7.0	Is. Can Corp 1	271	193	+71.2
First Int'l 0.5	377	1347	n.c.	Arganman r	750	-	-	Is. Can Corp 5	251	-	-
First Int'l 1.0	324	573	-8	Ata B 1	63	480	+3.5	Morgan	96	128	n.c.
Computers				Ata B 2	35	300	+5.0	Sidon Metals 1	190	-	-
IBM	220	-	-	Ata C 0.1	30	280	+2.5	Sidon Metals 2	83	-	-
IBM op	1004	-	-	Delta Galil 1	355	82	+11.4	Sidon Metals 3	230	195	+5.1
IBM 2	472	2	+0.4	Delta Galil 2	297	30	+2.7	Kadman 1	146	247	n.c.
IBM 3	295	13	-2.5	United Spinners	82	-	-	Kadman 2	72	605	+8.3
IBM op	491	-	-	United Spinners op	48	196	-5.9	Kadman op	200	10	n.c.
IBM 4	1080	-	-	Spinnery op	170	34	n.c.	Nechushtan 0.1	297	75	-25.0
IBM 5	321	-	-	Spinnery op op	930	80	+14.8	Nechushtan 0.5	165	165	+10.0
IBM 6	201	32	+16.0	Wardman op	168	27	+1.6	Urdan 0.1	240	10	+4.2
IBM 7	1075	10	n.c.	Zikil 1	130	b.o.2	+4.6	Urdan 0.5	162	79	+23.6
IBM 8	940	12	n.c.	Zikil 2	71	-	-	Urdan op	303	3	n.c.
Real Estate, Building				Tip Top 1	96	40	n.c.	King 1	620	10	n.c.
Gindi 1	546	23	n.c.	Tip Top op	340	-	-	King 2	278	77	n.c.
Gindi 2	338	312	n.c.	Yumam	340	-	-	King 3	621	11	+1.8
Oren	257	79	+23.9	Lotz 0.1	140	92	-1.2	Kill 5	410	-	-
Oren 2	100	438	+4.2	Lotz 0.4	48	434	-4.5	Sheladot	474	-	-
Oren 3	261	418	+20.8	Licht	110	5	+1.9	Sheladot op	456	-	-
Aziron op	201	-	-	Maquette 1	930	80	+14.8	Lachish 1	150	75	n.c.
Aziron op op	58	239	+5.0	Maquette 2	140	140	-	Lachish op	690	-	-
El-Ron op	118	30	+1.7	Eagle 1	1230	-	-	Electrical Machinery			
El-Ron 2	112	-	-	Eagle 2	1230	-	-	Electronics	83000	1	+4800
Ammonim	132	-	-	Eagle 3	1230	-	-	Electronics op	117001	-	-
Ammonim op	95	70	-2.1	Eagle 4	1230	-	-	Elbit 0.1	321	24	+7.5
Africa 1	1737	2	-0.1	Eagle 5	1230	-	-	Elbit 0.2	185	400	-1.9
Africa 2	144	28	-10.3	Eagle 6	1230	-	-	Elbit 0.3	185	400	-1.9
Aziron	117	10	-1.9	Eagle 7	1230	-	-	Elbit 0.4	185	400	-1.9
Aziron op	110	20	+7.3	Eagle 8	1230	-	-	Elbit 0.5	185	400	-1.9
Aziron op op	110	20	+7.3	Eagle 9	1230	-	-	Elbit 0.6	185	400	-1.9
Ben Yakar 1	252	2	n.c.	Eagle 10	1230	-	-	Elbit 0.7	185	400	-1.9
Ben Yakar 2	365	10	-2.0	Eagle 11	1230	-	-	Elbit 0.8	185	400	-1.9
Baranowitz 1	142	50	+10.7	Eagle 12	1230	-	-	Elbit 0.9	185	400	-1.9
Baranowitz 2	80	110	+4.3	Eagle 13	1230	-	-	Elbit 1.0	185	400	-1.9
Baranowitz 3	65	180	+7.5	Eagle 14	1230	-	-	Elbit 1.1	185	400	-1.9
Baranowitz 4	212	72	+12.6	Eagle 15	1230	-	-	Elbit 1.2	185	400	-1.9
Drucker 1	291	6	+1.3	Eagle 16	1230	-	-	Elbit 1.3	185	400	-1.9
Drucker 2	149	-	-	Eagle 17	1230	-	-	Elbit 1.4	185	400	-1.9
Drucker 3	120	24	n.c.	Eagle 18	1230	-	-	Elbit 1.5	185	400	-1.9
Mortgage Banks				Eagle 19	1230	-	-	Elbit 1.6	185	400	-1.9
Adman 0.1	1170	-	-	Eagle 20	1230	-	-	Elbit 1.7	185	400	-1.9
Gen. Mortgage	1286	19	n.c.	Eagle 21	1230	-	-	Elbit 1.8	185	400	-1.9
Gen. Mortgage op	1286	19	n.c.	Eagle 22	1230	-	-	Elbit 1.9	185	400	-1.9
Carmel 1	761	11	n.c.	Eagle 23	1230	-	-	Elbit 2.0	185	400	-1.9
Carmel 2	146	11	n.c.	Eagle 24	1230	-	-	Elbit 2.1	185	400	-1.9
Carmel 3	146	11	n.c.	Eagle 25	1230	-	-	Elbit 2.2	185	400	-1.9
Carmel 4	146	11	n.c.	Eagle 26	1230	-	-	Elbit 2.3	185	400	-1.9
Carmel 5	146	11	n.c.	Eagle 27	1230	-	-	Elbit 2.4	185	400	-1.9
Carmel 6	146	11	n.c.	Eagle 28	1230	-	-	Elbit 2.5	185	400	-1.9
Carmel 7	146	11	n.c.	Eagle 29	1230	-	-	Elbit 2.6	185	400	-1.9
Carmel 8	146	11	n.c.	Eagle 30	1230	-	-	Elbit 2.7	185	400	-1.9
Carmel 9	146	11	n.c.	Eagle 31	1230	-	-	Elbit 2.8	185	400	-1.9
Carmel 10	146	11	n.c.	Eagle 32	1230	-	-	Elbit 2.9	185	400	-1.9
Carmel 11	146	11	n.c.	Eagle 33	1230	-	-	Elbit 3.0	185	400	-1.9
Carmel 12	146	11	n.c.	Eagle 34	1230	-	-	Elbit 3.1	185	400	-1.9
Carmel 13	146	11	n.c.	Eagle 35	1230	-	-	Elbit 3.2	185	400	-1.9
Carmel 14	146	11	n.c.	Eagle 36	1230	-	-	Elbit 3.3	185	400	-1.9
Carmel 15	146	11	n.c.	Eagle 37	1230	-	-	Elbit 3.4	185	400	-1.9
Carmel 16	146	11	n.c.	Eagle 38	1230	-	-	Elbit 3.5	185	400	-1.9
Carmel 17	146	11	n.c.	Eagle 39	1230	-	-	Elbit 3.6	185	400	-1.9
Carmel 18	146	11	n.c.	Eagle 40	1230	-	-	Elbit 3.7	185	400	-1.9
Carmel 19	146	11	n.c.	Eagle 41	1230	-	-	Elbit 3.8	185	400	-1.9
Carmel 20	146	11	n.c.	Eagle 42	1230	-	-	Elbit 3.9	185	400	-1.9
Carmel 21	146	11	n.c.	Eagle 43	1230	-	-	Elbit 4.0	185	400	-1.9
Carmel 22	146	11	n.c.	Eagle 44	1230	-	-	Elbit 4.1	185	400	-1.9
Carmel 23	146	11	n.c.	Eagle 45	1230	-	-	Elbit 4.2	185	400	-1.9
Carmel 24	146	11	n.c.	Eagle 46	1230	-	-	Elbit 4.3	185	400	-1.9
Carmel 25	146	11	n.c.	Eagle 47	1230	-	-	Elbit 4.4	185	400	-1.9
Carmel 26	146	11	n.c.	Eagle 48	1230	-	-	Elbit 4.5	185	400	-1.9
Carmel 27	146	11	n.c.	Eagle 49	1230	-	-	Elbit 4.6	185	400	-1.9
Carmel 28	146	11	n.c.	Eagle 50	1230	-	-	Elbit 4.7	185	400	-1.9
Carmel 29	146	11	n.c.	Eagle 51	1230	-	-	Elbit 4.8	185	400	-1.9
Carmel 30	146	11	n.c.	Eagle 52	1230	-	-	Elbit 4.9	185	400	-1.9
Carmel 31	146	11	n.c.	Eagle 53	1230	-	-	Elbit 5.0	185	400	-1.9
Carmel 32	146	11	n.c.	Eagle 54	1230	-	-	Elbit 5.1	185	400	-1.9
Carmel 33	146	11	n.c.	Eagle 55	1230	-	-	Elbit 5.2	185	400	-1.9
Carmel 34	146	11	n.c.	Eagle 56	1230	-	-	Elbit 5.3	185	400	-1.9
Carmel 35	146	11	n.c.	Eagle 57	1230	-	-	Elbit 5.4	185	400	-1.9
Carmel 36	146	11	n.c.	Eagle 58	1230	-	-	Elbit 5.5	185	400	-1.9
Carmel 37	146	11	n.c.	Eagle 59	1230	-	-	Elbit 5.6	185	400	-1.9
Carmel 38	146	11	n.c.	Eagle 60	1230	-	-	Elbit 5.7	185	400	-1.9
Carmel 39	146	11	n.c.	Eagle 61	1230	-	-	Elbit 5.8	185	400	-1.9
Carmel 40	146	11	n.c.	Eagle 62	1230	-	-	Elbit 5.9	185	400	-1.9
Carmel 41	146	11	n.c.	Eagle 63	1230	-	-	Elbit 6.0	185	400	-1.9
Carmel 42	146	11	n.c.	Eagle 64	1230	-	-	Elbit 6.1	185	400	-1.9
Carmel 43	146	11	n.c.	Eagle 65	1230	-	-	Elbit 6.2	185	400	-1.9
Carmel 44	146	11	n.c.	Eagle 66	1230	-	-	Elbit 6.3	185	400	-1.9
Carmel 45	146	11	n.c.	Eagle 67	1230	-	-	Elbit 6.4	185	400	-1.9
Carmel 46	146	11	n.c.	Eagle 68	1230	-	-	Elbit 6.5	185	400	-1.9
Carmel 47	146	11	n.c.	Eagle 69	1230	-	-	Elbit 6.6	185	400	-1.9
Carmel 48	146	11	n.c.	Eagle 70	1230	-	-	Elbit 6.7	185	400	-1.9
Carmel 49	146	11	n.c.	Eagle 71	1230	-	-	Elbit 6.8	185	400	-1.9
Carmel 50	146	11	n.c.	Eagle 72	1230	-	-	Elbit 6.9	185	400	-1.9
Carmel 51	146	11	n.c.	Eagle 73	1230	-	-	Elbit 7.0	185	400	-1.9
Carmel 52	146	11	n.c.	Eagle 74	1230	-	-	Elbit 7.1	185	400	-1.9
Carmel 53	146	11	n.c.	Eagle 75	1230	-	-	Elbit 7.2	185	400	-1.9
Carmel 54	146	11	n.c.	Eagle 76	1230	-	-	Elbit 7.3	185	400	-1.9
Carmel 55	146	11	n.c.	Eagle 77	1230	-	-	Elbit 7.4	185	400	-1.9
Carmel 56	146	11	n.c.	Eagle 78	1230	-	-	Elbit 7.5	185	400	-1.9
Carmel 57	146	11	n.c.	Eagle 79	1230	-	-	Elbit 7.6	185	400	-1.9
Carmel 58	146	11	n.c.	Eagle 80	1230	-	-	Elbit 7.7	185	400	-1.9
Carmel 59	146	11	n.c.	Eagle 81	1230	-	-	Elbit 7.8	185	400	-1.9
Carmel 60	146	11	n.c.	Eagle 82	1230	-	-	Elbit 7.9	185	400	-1.9
Carmel 61	146	11	n.c.	Eagle 83	1230	-	-	Elbit 8.0	185	400	-1.9
Carmel 62	146	11	n.c.	Eagle 84	1230	-	-	Elbit 8.1	185	400	-1.9
Carmel 63	146	11	n.c.	Eagle 85	1230	-	-	Elbit 8.2	185	400	-1.9
Carmel 64	146	11	n.c.	Eagle 86	1230	-	-	Elbit 8.3	185	400	-1.9
Carmel 65	146	11	n.c.	Eagle 87	1230	-	-	Elbit 8.4	185	400	-1.9
Carmel 66	146	11	n.c.	Eagle 88	1230	-	-	Elbit 8.5	185	400	-1.9
Carmel 67	146	11	n.c.	Eagle 89	1230	-	-	Elbit 8.6	185	400	-1.9
Carmel 68	146	11	n.c.	Eagle 90	1230	-	-	Elbit 8.7	185	400	-1.9
Carmel 69	146	11	n.c.	Eagle 91	1230	-	-	Elbit 8.8	185	400	-1.9
Carmel 70	146	11	n.c.	Eagle 92	1230	-	-	Elbit 8.9	185	400	-1.9
Carmel 71	146	11	n.c.	Eagle 93	1230	-	-	Elbit 9.0	185	400	-1.9
Carmel 72	146	11	n.c.	Eagle 94	1230	-	-	Elbit 9.1	185	400	-1.9
Carmel 73	146	11	n.c.	Eagle 95	1230	-	-	Elbit 9.2	185	400	-1.9
Carmel 74	146	11	n.c.	Eagle 96	1230	-	-	Elbit 9.3	185	400	-1.9
Carmel 75	146	11	n.c.	Eagle 97	1230	-					

Ari Rath
Editor and
Managing DirectorTHE JERUSALEM
POSTErwin Frenkel
Editor

Founded in 1932 by GERSHON AGRON, who was Editor until 1955. Editor 1955-1974 TED LURIE. Editor 1974-1975 LEA BEN DOR. EDITORIAL OFFICES AND ADMINISTRATION The Jerusalem Post Building, Romema, Jerusalem P.O. Box 81 (91000) Telephone 528181. Telex 26121. TEL AVIV 16 Rehov Carlebach, P.O. Box 20126 (61201) Telephone 294222. HAIFA 16 Rehov Nordau, Hader Hacamel, P.O. Box 4810 (31047) Telephone 645444. Published daily, except Saturday, in Jerusalem, Israel by The Palestine Post Ltd. Printed by The Jerusalem Post Press in Jerusalem. Registered at the G.P.O. Copyright of all material reserved, reproduction permitted only by arrangement.

With a whimper

THE CLOSURE of Israel's liaison office in Lebanon this week was the inevitable last phase in the process of shedding political illusions north of the Awali River.

The timing of the closure was, no doubt, linked to Monday's election. The Likud, understandably enough, was reluctant to concede the final collapse of its grand design in Lebanon on the eve of the poll.

But it was only a matter of time, following President Amin Jemayel's capitulation to Syria's demand earlier this year, that the office would be closed. It became unavoidable last week, when Lebanon announced that it was withdrawing its army units assigned to protect the office in Dbaiye.

The main impact of the closure of the office is not, however, on the government's Lebanon policy. Rather, it is on the day-to-day management of affairs in South Lebanon, which will now be hindered by the absence of any form of direct contact or coordination between Israeli and Lebanese officials.

The immediate victims, as the Foreign Ministry pointed out in its official communique yesterday, will be the hapless inhabitants of the south itself.

But, in the longer term, Israel too will suffer from the breakdown in communication with Beirut, and will have to seek some alternative channel, direct or indirect, if any progress is to be made on extricating the IDF from Southern Lebanon.

Temporary plugs

ONE DAY after the elections the Treasury and the Bank of Israel finally moved to tighten up the currency regulations and bring the price of the cheapest dollars to be had — those for foreign travel — somewhat closer to the effective rate for other imports.

What they have done is like installing a few safety locks after the burglars have made off with the jewelry. It matters little that Finance Minister Yigal Cohen-Or and Bank of Israel Governor Moshe Mandelbaum probably secretly gnashed their teeth at the sight of the currency reserves being looted, to the tune of \$600m. in the four weeks before the elections. They watched — and did nothing to close even the most gaping loopholes. The finance minister was, or regarded himself, politically impotent; the governor of the central bank, who had at least the power and the duty to issue a call of warning, wrapped himself in cooperative silence.

While the measures are to be welcomed, even if they are too little and much too late, it should be clear that tightening currency controls can only be a short-term emergency measure. An economy where exports amount to 50 per cent of the gross national product, and where imports of goods and services reach 70 per cent of the GNP, cannot rely on administrative controls to maintain its foreign reserves, let alone to improve its payments balance.

This has nothing to do with ideology or economic philosophy.

The free movement of foreign currency is made necessary by the economy's tight interdependence with the rest of the world. Even if it must be temporarily restricted, it will have to be restored quickly and even expanded to full convertibility — short only of capital movements. For in an economy with a foreign trade as large as Israel's, two loopholes — one legal and the other illegal — will be discovered for each one that is closed by new regulations.

The only way to maintain our foreign payments position and our reserves in a healthy state is, beyond the immediate short run, through reliance on the price mechanism. In plain language this means establishing a stable exchange rate which people will believe will remain stable. And that means devaluation, throttling inflation, and — the most difficult task in the present political circumstance — restoring confidence in the government.

The country is caught up in a vicious circle. Only a stable government is capable of taking the steps that are needed to stabilize the economy — and only a government capable of doing that can, in the present stalemate, hope to remain even precariously stable.

The only way out of this impasse seems to be a limited accord — limited in time and in scope — between the two main political blocs, until the electorate will be called upon to reflect again whether it wants the political stalemate that was the result of Monday's elections.

LIAISON OFFICE

(Continued from Page One)

departure of the Israelis caused little stir in the Lebanese capital.

However, the closure of the office, which used to issue permits to Lebanese wishing to travel to the Israeli-controlled south, will almost certainly bring considerable hardship to the inhabitants of South Lebanon.

Uri Lubrani, Israel's coordinator of activity in Lebanon, told Kol Yisrael radio that the closure might affect commerce between southern Lebanon and the north. He said southern Lebanese merchants could still obtain permits to cross the Awali River front-line to the north, but businessmen in the north "will have serious problems" getting into southern Lebanon.

Lubrani said Israel had no intention of easing the situation.

MAPAM

(Continued from Page One)

meetings and various informal contacts between the two partners yesterday.

The Labour Party political bureau decided at a meeting yesterday afternoon to work for the establishment of a government "on as wide a basis as possible, under the leadership of the Alignment."

It was hoped that that formula, which is identical to the formula used last September in the abortive negotiations following the resignation of then-prime minister Menachem Begin, will be sufficient to placate Mapam.

The bureau also decided to empower party chairman Shimon Peres to open negotiations with other factions in order to establish a coalition under his leadership. It is understood that Knesset Member Yossi Sarid and other party doves, as well as the United Kibbutz Movement, will go along with the "widely based government" formula.

Alignment leaders held telephone

"No alternatives are being explored. The closure is certainly one result of Syrian pressure on Beirut, but by the same token you may expect that the Lebanese will convey to Syria the problems that arise out of it," he said.

"I'm sure they won't want to bear the onus of that plight for too long. The Syrians will have to find ways," he continued.

Lubrani said it would now be exceedingly hard to enter the south, requiring contacts there and probably a boat trip to Sidon.

Israeli officials in South Lebanon met yesterday to work out how to issue visas to Lebanese businessmen from the north, who want to travel south on business into the Israeli-controlled area. No decision was reached.

At yesterday's meeting, Shemtov and Mapam elder statesman Ya'acov Hazan sharply criticized the Alignment election campaign and "the attempt by the Labour Party to hide Mapam." The campaign strategy was defended by Yossi Sarid, who played a leading role in formulating it, and others. It was agreed that a special meeting would be convened to discuss Mapam's complaints.

Taxation without representation

By PINHAS LANDAU

THE LATEST MOVES to tighten controls on foreign currency transactions move the system closer still to a multi-tier regime in the field of exchange rates. This time, however, the trend has surfaced in an area close to the general public's heart — the cost of travelling abroad.

What the 15 per cent quasi-VAT levied on travel allowance package trips, and other tourist services to overseas really means, is that the \$4 billion-plus Patam balance held by the public is devalued by that amount for those purposes. In terms of buying goods from abroad, as distinct from services, it was devalued some time ago, when the compulsory deposit on imports was introduced.

In other words, the official exchange rate of 270 shekels to the dollar is not the real rate at which transactions are conducted. It is simply the accounting base from which pseudo — or Patam — dollars are translated into real dollars, according to the use to which they are to be put.

This is what the economists have been talking about for months, as the likelihood of a "two-tier currency system," wherein financial transactions of buying and selling are conducted at the lower, official rate, fixed by the government, while trade and other business involving real goods is transacted at the "commercial" rate, fixed in the free market.

That the government appears to be the arbiter of how much the premium should be on import and export deals is only a facade. In actuality, the level of tax, levy, impost and what have you on different types of goods and services is decided by the

government only after the real state of supply and demand has been reflected in the free market.

THAT IS ONE REASON why the new taxes that crop up — and sometimes disappear — periodically (like the Peace for Galilee income-tax surcharge and 2 per cent levy on sales of securities), are such flexible and inherently temporary creatures. They are slapped on and adjusted, altered or removed on a purely pragmatic basis of what gaps need to be stopped up at a given time, or what form of activity can currently be milked to boost government revenues.

The key features are the lack of overall planning in fiscal policy — some would say the lack of fiscal policy altogether — and the use or misuse of power by the Finance Ministry and the Bank of Israel to adjust economic activity to their passing needs and impose their will by use of administrative decree, leaving the Knesset to rubber stamp their decisions much later, if at all. In such a regime, it is no surprise that regulations with retroactive effect are frequently enacted, although such tactics are universally condemned in all text-books on taxation and fiscal planning.

The fact that industry as a whole is going bankrupt, and is unable to invest for lack of funds and because of inability to see further ahead than a few days or weeks, is of no concern to the general public, and hence to the government. Only occasionally — as when the National Insurance Institute recently massively increased the dues levied on self-employed persons — does a public outcry force

the bureaucracy to retreat. Even then, the change of heart is not an outcome of reexamining the merits of the move, but is based on political — in other words electoral — considerations.

Thus the much-vaunted liberalization policy introduced by the late Simha Ehrlich in October 1977, which gave almost complete freedom to Israelis to hold and trade in foreign currency, has been steadily if gradually eroded, and the result today is that the degree of control over transactions in, and flows of, foreign currency is greater in many respects than it was prior to the "economic upheaval."

THE DIFFERENT exchange rates for different purposes — not two-tier but multi-tier — are reminiscent of the regime associated with the late Pinhas Sapir. The difference is that Sapir used the government budget as a means of pushing policy, particularly industrial policy, in the direction of long-term growth within the framework of an overall concept, while the current system has evolved haphazardly to doze fires as and when they have broken out.

The current caretaker government will continue to apply band-aids to the hemorrhage of precious reserves pouring out of the economy, because in the present state of political paralysis there is not much else it can do. The finance minister said quite openly that further, more drastic measures in the direction of improving the balance of payments and cutting the swelling budget deficit, will be necessary in the immediate future, irrespective of whether the coalition-building process has been

Dry Bones



completed or not.

At best, he is hoping for the cooperation of the Histadrut and the private-sector employers in some kind of social compact, to lessen the blows on the mass of wage-earners. Failing that, he said, he will go it alone — government or no government, Knesset or no Knesset.

The reason why he can, indeed must, proceed to impose economic policy by diktat, in what is supposed to be a pluralistic democracy, is because he knows that the foreign bankers who are keeping us afloat are becoming impatient with the excuses — elections, negotiations, etc. — that they are getting in place of real action.

He knows that in September he

must go to Washington to the annual meetings of the IMF and the World Bank, to negotiate not with politicians heading two- or three-man Knesset factions, but with the people who finance our imports of wheat and fuel. In December, he will go again, this time to meet with the new administration, which will presumably be the present one re-elected, to negotiate further aid packages. They will be in the form of grants, since we cannot afford loans. He knows that by then he must have something concrete to show for himself. Or else he will receive a very cool reception indeed.

The writer is The Jerusalem Post's finance reporter.

READERS' LETTERS

PEACE WITH THE ARABS

To the Editor of The Jerusalem Post Sir, — David Krivine's article of July 11, "The path to peace," was fascinating. He points out that today the French and Germans live in peace in spite of many years of hatred and wars. How did they arrive at this peace between them? Did it come as a result of the treaty Germany signed with the allies at Munich, giving Czechoslovakia to Germany? Or, as a result of the non-aggression treaty Germany signed with Russia? Hardly, they tied directly to World War II.

Peace only came when Germany was finally and completely removed as a military threat and was kept so for some 10 years.

Mr. Krivine writes that we do not have assets for permanent survival against the Arab world, obviously meaning that eventually they will be strong enough to destroy us. If the Arab world feels the same way, then they certainly don't have to make any concessions. If the Arabs think that the Israelis are accepting the idea that it is hopeless to fight the Arabs and that eventually we'll lose anyhow, then this certainly will encourage them to be more intransigent and aggressive and to pressure us more and more in every possible way.

Many people claim that if Israel settles the "Palestinian problem," there will be peace. If Jordan, Syria, Lebanon, Iraq and Saudi Arabia will

state publicly, unequivocally, that if Israel will come to an agreement with the Palestinians they will sign peace treaties with Israel, stop all economic boycotts, stop political aggression in the UN and all over the world; develop commercial ties with us, allow civilian traffic between us and them — and stop this enormous arms race — then I think we should certainly make every compromise possible to reach agreement with the Palestinians.

I think that unless the Arab states do this, any agreement with the Palestinians alone is not only worthless but a definite threat to Israel's security.

It seems obvious that as long as the Arabs feel they can destroy Israel, they will try to do so. Only when they realize that they cannot destroy us, and like it or not, that we are here permanently and that they have no choice but to come to some sort of agreement with us, as Egypt did, then only is there a possibility of a real peace. And until that time comes, Israel has to be as strong militarily, economically and psychologically as it can possibly be. It is the only way to survive and eventually to achieve peace with the Arabs.

ROBERT GIBSON

Haifa.
David Krivine comments:
Mr. Gibson's last paragraph expresses exactly what I tried to say in my article.

JERUSALEM PILGRIMS

To the Editor of The Jerusalem Post Sir, — Many people all over the world must be in possession of the Attestation of Pilgrimage which is used by the Mayor of Jerusalem and the Ministry of Tourism. This certifies that as the recipient has been up to Jerusalem, he or she is authorized to bear the title Jerusalem Pilgrim. There are also many who have visited the city on pilgrimage or tour, who, although not having the certificate, nonetheless are proud to know that they have been to Jerusalem to pray.

We have initiated a South African Jerusalem Pilgrim Association and are issuing a quarterly Jerusalem Lener. This gives news and views of the city and provides a postal link between those from synagogue, mosque or church who are now on our mailing list.

If people could take the same initiative in other lands we are sure that a World Association of Jerusalem Pilgrims could come into being. I would be happy to correspond with anyone interested to set the ball rolling in another country — and will be happy to include these on our mailing list to get copies of our newsletter as it is issued.

Reverend LIONEL G.S. HILL
The Manse,
29, Eynon Road,
Claremont, C.P.,
7700 South Africa.

MAIL TO NEW ZEALAND

To the Editor of The Jerusalem Post Sir, — All too often these days one reads in your columns letters from readers complaining about the poor postal service in Israel.

As a contrast, I would like to write in praise of the system. I am a regular subscriber to the overseas weekly edition of The Jerusalem Post and, living far from Israel, we often purchase many of the books which are advertised in your newspaper. I generally have the books sent to me by airmail so as to avoid the delays in surface mail, but the most recent purchase by me has beaten all records for efficiency. On May 24 I sent an order by airmail to The Jerusalem Post office in New York for a copy of "Jewish Art and Civilization" intended to be a wedding anniversary present for my wife. I had hoped that the book would reach me within five or six weeks so as to be in time but I was absolutely amazed when the book reached me on June 16. The book was posted from Jerusalem, not New York, and left Jerusalem on June 5. It reached New Zealand on June 13 and our small town of Kerikeri on June 16.

This speed of delivery is a tribute both to the efficiency of The Jerusalem Post and the Israeli postal service.

G.N. JAFFE

Keri Keri, New Zealand

INNOCENT UNTIL PROVEN GUILTY

To the Editor of The Jerusalem Post Sir, — I read with interest your report of July 13, "Orthodox rabbinical leader condemns Jewish terror." Two direct quotes are attributed to Rabbi Louis Bernstein: "They are dead wrong in what they did," and "Something definitely went wrong in religious Zionism and in Torah education."

In the western democracies and in Israel, and most certainly in Torah law, the accused is presumed to be innocent until proven guilty. The Talmud contains many statements by rabbis that judges should extend themselves to find lack of guilt.

The accused have pleaded not guilty. Their trial has not yet commenced. Yet Rabbi Bernstein has arrogated to himself the role of deciding a case before the trial.

If anyone was "dead wrong in what he did," it was Rabbi Bernstein. Perhaps there is something definitely wrong in his Torah education if he finds accused persons guilty before they have come to trial.

EMANUEL QUINT

Jerusalem.

THE VOICE OF MUSIC

To the Editor of The Jerusalem Post Sir, — Is there anyone in charge of programming at the Voice of Music? Or does the editor of every section shove in whatever fits his time span?

In the last few months, I have heard Kodaly's *Hari Janos Suite* ad nauseam; and in the last fortnight or so, Rimsky-Korsakov's *Scheherazade* three times and *The Golden Cockerel* twice. The same goes for Brahms' Second, Beethoven's Fifth, Tchaikovsky's Violin Concerto and Cesar Franck's Symphony. On the other hand, we almost never get any Italian baroque or any of the more interesting chamber music by Haydn, Beethoven or Shostakovich.

Perhaps it's time to computerize Kol Yisrael's library of music and introduce overall planning of programmes.

MIKE ISAACSON

Jerusalem.

HUNGARIAN JEWRY

To the Editor of The Jerusalem Post Sir, — I read the article, "The Hungarian factor," in your issue of July 10. I looked in vain for the name of Raoul Wallenberg, the Swedish diplomat to whom the Hungarian Jews owe so much. Unbelievable!

GISELA NADLER

Jerusalem.

RELIGION DEBASED

To the Editor of The Jerusalem Post Sir, — It had to be said, and Matthew Nevinsky said it most eloquently. I am referring to his article, "A Debasement of Religion," in your issue of June 11.

JOSEPH RAIDER, M.D.

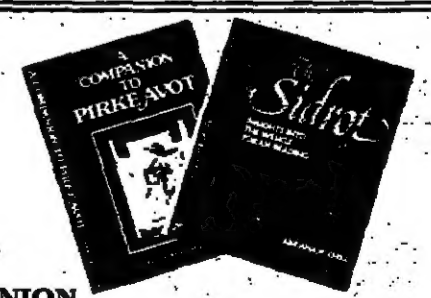
Mundelein, Illinois.

NATIONAL AIRPORTS AUTHORITY

Important Announcement to those Going Abroad

The National Airports Authority wishes to advise those going abroad that they should pay the 15% VAT due on foreign currency purchased (from September 1983) at a local bank, and not at Ben-Gurion Airport.

A passenger who cannot show the appropriate receipt at Ben-Gurion Airport is liable to be delayed.



A COMPANION TO PIRKE AVOT By Benjamin Morgenstern

The wisdom of our sages is most succinct in *Pirke Avot*, the Chapters of Our Fathers. This book is concerned with the rabbis themselves. Each chapter is devoted to a different sage, and the era in which he lived. Personal acquaintance intensifies the comprehension of the words of wisdom as we read them in *Avot*. Published by Gefen, hard cover, 221 pages. PRICE: IS3085.

THE SIDROT By Abraham Chill

The *Sidrah* — the weekly Torah-reading portion — has for centuries been popular with rabbis as material for the *Dvar Torah*, and for sermons. THE SIDROT offers commentary on each *Parashat HaShavua*, which imparts knowledge of Judaism, teaching of the masters and the morals of our tradition. Published by Gefen, hard cover, 191 pages. PRICE: IS3085.

To BOOKS, The Jerusalem Post, P.O. Box 81, Jerusalem 91000
Please send me: ☐ A COMPANION TO PIRKE AVOT
☐ THE SIDROT.
I enclose a cheque for IS3085 per book.
NAME _____
ADDRESS _____
CITY _____ CODE _____
Valid until July 31, 1984.

500 من الأصل